Department of State

LIMITED OFFICIAL USE 59 Control: 5248 Action NEA Rec'd: April 8, 195 Document FROM: 2:43 p.m. Cairo Info RMR Secretary of State SS 3155, April 8, 4 p.m. NO: G SP C SENT DEPARTMENT 3155; REPEATED INFORMATION JERUSALEM 52. W 176, USUN 166. L Correspondent just returned from Gaza reports considerable fraternization between UNEF and Israeli patrols and kibbutzniks. IO 0 EUR Day time procedure is for Israelis and UNEF to patrol along line with frequent crossings back and forth for social purposes. P UOP At night patrols are withdrawn from 50 to 100 yards from line. UNEF relations with Egyptians less relaxed but irritations OLI essentially minor. Correspondent states fraternization contrary orders UNEF and IDF and may be short-lived but it has substantially OCB USIA lessened border tensions by permitting farmers and shepherds work CIA without fear attack. OSD ARMY HARE NAVY AIR MAA 9

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UOP

SCA OLI DCL OCB USIA CIA OSD ARMY

NAVY

AIR

SALAH DESOUQI, SENIOR MINISTER INTERIOR OFFICIAL, IN 8TH APRIL AL POLICE SAYS "NEW ISRAEL! FRENCH AGGRESSION IS IN MAKING" AND POINTS TO "REPEATED STATEMENTS MADE BY ISRAELI LEADERS AND SAILING FRENCH FLEET NORTH AFRICA OR MID EAST" AS EVIDENCE. ACCORDING DESOUGI, "NEW ATTACK WILL START BY ISRAEL SENDING SHIP TRANSIT CANAL ALTHOUGH. ISRAELIS KNOW FULL WELL EGYPT WILL STOP VESSEL AND ARREST ITS CREW SINCE SHE STILL IN STATE WAR WITH ISRAEL. WILL THEN ANNOUNCE EGYPT HAS BREACHED 1888 CONVENTION AND WILL DECLARE BREACH COUPLED WITH FACT EGYPT SUPPORTING REVOLUTION IN ALGERIA GRANTS FRANCE RIGHT ATTACK EGYPT SELF DEFENSE."

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NE (for acknowledgement)

Letter from Mr. Greenwood dated 1/8/57 to Mr. Murphy re Midwet Settlement Committee

DEPARTMENT OF STATE

DEPUTY UNDER SECRETARY

April 11, 1957

NEA - Mr. Oulashin

Mr. Murphy asks that the attached letter of April 8 to him from Mr. Greenwood be acknowledged. It is not improbable that other officers of the Department have received similar missives. G would appreciate NEA's taking whatever action it considers necessary in the direction of acknowledgment.

RBF

Richard B. Finn Special Assistant



Connecticut Avenue at Calvert Street Washington 8, D. C.

April 8, 1957

Honorable Robert Daniel Murphy 1701 Kalmia Road, N. W. Washington 12, D. C.

Dear Mr.Murphy:

As an executive of our government you should be interested in the enclosed Plans and Proposals recently submitted to President Eisenhower, our State Department and our Congress.

We would greatly appreciate your comments. May we have them?

Sincerely yours,

MIDEAST SETTLEMENT COMMITTE

E M. Greenwood, Chairman

The Shoreham Hotel Washington, D. C.

EMG:B Enclosures

5

WASHINGTON

March 21, 1957

Dear Mr. Greenwood:

I acknowledge the receipt of your letter of March 17 addressed to Secretary Dulles as well as that of March 16, and enclosures, addressed to me. It is understood that you have had a number of conversations with and opportunity to express at length your views to officers of the Department, including myself, as well as to officers of the American Embassy in Cairo.

Officers of the Department concerned with Egypt and the Middle East stand ready to discuss any additional views you care to submit. They have met at some length with Commander E. H. Hutchison. They are also prepared to talk with foreign visitors whose views may be of assistance.

Your views have received careful consideration, and I am enclosing a memorandum prepared in the Department commenting on the plans and proposals which you have submitted. I hope these comments will be helpful to you.

I appreciate your interest in these questions and your desire to be of assistance to your government. You have gone to a great effort and expense in your attempts to suggest solutions. I wish to assure you that the Department of State shares your hopes that solution of these important problems will be rapidly forthcoming.

Yours Sincerely,

ROBERT MURPHY (Signed)

Robert Murphy

Enclosure:
As stated.

Mr. E. M. Greenwood, The Shoreham Hotel Washington, D. C. IN REPLY TO: THE MEMORANDUM PREPARED IN THE STATE DEPARTMENT COMMENTING ON:

THE PLANS AND PROPOSALS SUBMITTED BY THE MIDEAST SETTLEMENT COMMITTEE

The memorandum, prepared by the State Department, states: "The plan and proposals put forward by the Middle East Settlement Committee have been read with interest and carefully considered in the Department. It is obvious that considerable time and effort has been devoted to developing this plan."

MUCH TIME AND CONSIDERABLE EFFORT HAS BEEN SPENT IN DEVISING THESE PLANS.

MANY YEARS OF BUSINESS EXPERIENCE, AND ASSOCIATION WITH PEOPLE THROUGHOUT

THE WORLD, GETTING ACQUAINTED WITH THEIR PROBLEMS, THEIR FEELINGS AND OBJECTIVES HAVE CONVINCED US THESE PROPOSALS ARE FEASIBLE. OUR FIRSTHAND

KNOWLEDGE OF THE NATIONAL RESOURCES AND OPPORTUNITIES PREVALENT IN MANY

COUNTRIES, PARTICULARLY SOUTH AMERICA, PROMPTS US TO STATE THE UNDEVELOPED

RICHES AND RESOURCES OF THE WORLD CAN FINANCE NATIONAL SECURITY. OUR PLAN

IS THE CULMINATION OF MANY YEARS EXPERIENCE AND EXTENSIVE TRAVEL.

?. The memorandum also states: "While the objectives set by the Middle East Settlement Committee are desirable, it is feared that they could not be achieved through the course of action proposed by the Committee."

ANYTHING DESIRABLE AND CONSTRUCTIVE SHOULD AT LEAST BE EXPLORED. WE ARE OPEN TO ANY "COURSE OF ACTION" TO ACCOMPLISH OUR OBJECTIVES AND SHALL BE HAPPY TO RECEIVE CONSTRUCTIVE SUGGESTIONS.

The memorandum further states: "In the first place, the idea of the assignment of national assets and resources by other nations as security for development loans by a corporation directed by leaders of American finance and industry would likely not be favorably received in many countries, particularly those in which the current of nationalism is at present running strong. The fear of indirect control of national resources by citizens and capital of an outside nation, particularly a major power, is deep-rooted in that part of the world which was formerly under colonial rule."

ON THE CONTRARY. ASSIGNMENT BY BORROWING NATIONS OF SOME OF THEIR ASSETS AND NATURAL RESOURCES (DEVELOPED OR UNDEVELOPED) AS SECURITY FOR WELL-PLANNED LOANS IS THEIR PREFERENCE TO HANDOUT AID WITH ENTAILING POLITICAL STRINGS AND RESTRICTIONS. EGYPT, FOR ONE, IS ACCEPTABLE TO THIS AND IS APPARENTLY THE NATION YOU REFER TO WHERE THE "CURRENT OF NATIONALISM IS RUNNING STRONG". WE HAVE A DEFINITE ACCEPTANCE OF OUR PLAN FROM THE EGYPTIAN GOVERNMENT. THEREFORE, YOU ARE MISTAKEN.

IF A NATION HAS THOUSANDS OF ACRES TO IRRIGATE, A DAM TO BUILD, NEEDS POWER, AND HASH'T THE MONEY TO ACCOMPLISH THESE THINGS, THEY WILL BE HAPPY TO SHARE THE REVENUES WITH THE SOURCE THAT GIVES THEM THE FUNDS TO ACCOMPLISH THEIR OBJECTIVES AND ASSIGN ALL OR A PORTION THEREOF TO PROPERLY AMORTIZE THE LOAN. THEY WOULD ALSO PREFER THE FUNDS TO COME FROM A CORPORATION COMPRISED OF COMPETENT SUCCESSFUL AMERICAN BUSINESSMEN, FREE OF POLITICS, THAN A GOVERNMENT LOAN WITH ITS USUAL POLITICAL ENTANGLEMENTS.

TOO, THEY REALIZE THAT TWENTY-FOUR OF THE LEADING EXECUTIVES OF AMERICA, EACH THE EXPERIENCED HEAD OF A SUCCESSFUL INDUSTRY, CAN BRING TO THEIR COUNTRY "KNOW-HOW", EXPERIENCE AND ABILITY THEY COULD NEVER POSSIBLY AFFORD OR ACQUIRE. ALSO, THE EXECUTIVES, SERVING WITHOUT COMPENSATION AS A PATRIOTIC DUTY ON THE BOARD OF OUR POSPOSED WORLD DEVELOPMENT CORPORATION, WOULD PROBABLY BE RESPONSIBLE FOR SECURING MUCH PRIVATE INDUSTRY AND CAPITAL FOR THE COUNTRIES WE ARE TRYING TO HELP. HERE IS A SECONDARY BENEFIT THAT THROUGH THE IMPLEMENTATION OF OUR PLANS COULD WELL ECITPSE LOAN BENEFITS. OUR EXPERIENCE AND INVESTIGATION HAVE CONVINCED US LEADERS OF AMERICAN FINANCE AND INDUSTRY, FREE OF POLITICS, ARE DEFINITELY ACCEPTABLE AND PREFERABLE. TO SUBSTANTIATE THIS WE SUGGEST THE STATE DEPARTMENT ASK OTHER NATIONS VIEWS.

The memorandum states: "It is not believed that it would be possible to obtain the security necessary for launching the type of large-scale loans which the Middle East Settlement Committee has in mind, because a number of countries which are most in need of development do not possess large national resources."

THERE ARE NOT, TO OUR KNOWLEDGE, MANY COUNTRIES IN THIS WORLD WHICH, IF THEY DESIRE A COMMERCIAL BUSINESS LOAN, CANNOT PLEDGE SOME KIND OF SECURITY, REVENUES, RESOURCES OR CONCESSIONS THAT WILL BE ACCEPTABLE TO THEM AND TO US. ALSO, THERE ARE NOT MANY COUNTRIES "MOST IN NEED OF DEVELOPMENT" THAT "DO NOT POSSESS NATIONAL RESOURCES" IN SOME FORM. ISOLATED CASES SHOULD NOT PREVENT THE CONSTRUCTIVE PROGRAM WE SUGGEST FROM BEING OPERATIVE. IT IS NOT THE RECOMMENDATION OF OUR COMMITTEE FOREIGN AID IN THESE CASES BE ELIMINATED.

5. The memorandum states: "The issuance of "World Peace Bonds" to cover the necessary loans and financing contemplated by the suggested corporation would, we fear, arouse suspicions that the purpose of the "World Development Corporation" was primarily one of exploiting for profit foreign assets and concessions."

WORLD PEACE BONDS CAN BE PURCHASED BY ALL PEOPLES OF THE WORLD, NOT JUST AMERICANS. ALL WHO PARTICIPATE IN OUR SUGGESTED PEACE OFFENSIVE WOULD NOT ONLY BE MAKING A PATRIOTIC INVESTMENT TO HELP GUARANTEE WORLD PEACE, BUT THEY COULD CONCEIVABLY PROFIT THEREFROM. WHEN BOND PROCEEDS ARE USED TO HELP THE INTERNAL ECONOMY OF EVERY BORROWING COUNTRY, RAISE THEIR STANDARD OF LIVING, MAKE THEM MORE INDEPENDENT AND SELF-SUPPORTING, THEY MOST CERTAINLY WILL RECOGNIZE THAT THEY ARE NOT BEING EXPLOITED. ASSISTANCE AND COOPERATION DO NOT CONSTITUTE EXPLOITATION. (See Addendum to Mr. Murphy, page 4)

6. The memorandum states: "The assumptions regarding tax exemptions for these bonds, investibility in banks and guaranties by the United States Government, are considerations less easily achieved than conceived."

WOULD IT NOT BE EASIER AND BETTER TO FINANCE OUR FOREIGN AID PROGRAM, CUT OUR BUDGET, DECREASE OUR NATIONAL DEBT AND CURB INFLATION BY THE ISSUANCE OF TAX EXEMPT, QUASI-GOVERNMENT "PEACE BONDS" THAN TO PURSUE OUR PRESENT POLICY OF FOREIGN AID SPENDING? WE THINK IT MUCH EASIER AND MORE PRACTICAL. ASK MR. AND MRS. AMERICA.

7. The memorandum states: "Just as the United States would not now be prepared to receive massive amounts of immigrants without restrictions, so it is believed that other countries would not look with favor upon a proposal involving their "letting down the bars," in the words of the plan under discussion, to receive "all people wishing to leave their respective countries."

YOU HAVE MISCONSTRUED THIS. IN THE WORDS OF THE PLAN, "THE U. N. AND THE U. S. WILL LET THE BARS DOWN IN ALL COUNTRIES....TO ALLOW ALL PEOPLE WISHING TO LEAVE THEIR RESPECTIVE COUNTRIES THE OPPORTUNITY OF DOING SO AND EMIGRATING TO ANY OTHER COUNTRY WISHING AND DESIRING TO TAKE THEM."

IT IS NOT OUR INTENTION THAT THE UNITED STATES RECEIVE THESE IMMIGRANTS. NOWHERE IN OUR SUGGESTIONS HAVE WE ADVOCATED SUCH THOUGHTS. THE PURPOSE OF THE IMMIGRATION PART OF OUR PLAN IS TO DEVELOP UNDEVELOPED TERRITORIES BY RELOCATING PEOPLE FROM EXPLOSIVE AREAS. SOUTH AMERICA OFFERS THE IMMIGRANT OPPORTUNITIES COMPARABLE TO OUR OWN COUNTRY ONE HUNDRED FIFTY YEARS AGO. IF WE WERE LIVING IN AN EXPLOSIVE AREA WE WOULD CERTAINLY BE INTERESTED IN EMIGRATING WITH OUR WIVES AND CHILDREN TO SAFER AND MORE ADVANTAGEOUS REGIONS, ESPECIALLY IF OUR EXPENSES WERE PAID AND SECURITY ESTABLISHED.

AS FOR OTHER COUNTRIES LETTING DOWN THE BARS SO ALL THOSE WISHING TO LEAVE COULD DO SO, THIS WOULD BE ADVISABLE AND CONSTRUCTIVE AND WOULD MAKE FOR HAPPIER FEELINGS ALL AROUND. MALCONTENTS ARE NOT AN ASSET TO ANY COUNTRY. FORCEFUL DETENTION IS DETRIMENTAL TO A COUNTRY'S BEST INTERESTS. A NATION'S SUCCESS AND PROSPERITY IS BETTER SERVED WITH COMPATIBLE CITIZENS.

8. The memorandum states: "In particular, we do not have reason to think that the South American countries, in return for development projects by the "World Development Corporation," would agree to such large-scale injections of immigrants."

SOUTH AMERICA IS HARDLY SCRATCHED. THE COUNTRIES THERE ARE VERY DESIROUS OF NEW IMMIGRANTS, ESPECIALLY IF THEY BRING INVESTMENTS AND DEVELOPMENT. BRAZIL, FOR INSTANCE, HAS A PRESENT POPULATION OF 70 MILLION, AND MILES OF UNTOUCHED,

UNEXPLORED TERRITORY. IN A RECENT SURVEY IT WAS ESTABLISHED BRAZIL COULD FEED A POPULATION OF 750 MILLION PEOPLE. SHE CAN AND IS WILLING TO ABSORB ANY NUMBER OF ACCEPTABLE IMMIGRANTS, PARTICULARLY IF THEY MEAN THE DEVELOPMENT OF HITHERTO UNDEVELOPED AREAS AND THE INFLUX OF CAPITAL EXPENDITURES FOR NEW ROADS, IRRIGATION, POWER, HOMES, HOSPITALS, SCHOOLS, INDUSTRIES, PAYROLLS, ETC. ASK THE BRAZILIAN GOVERNMENT OR ANY OTHER SOUTH AMERICAN COUNTRY. THEY CAN PUT TO WORK FOR THEIR INTERNAL ECONOMY UNDEVELOPED AREAS THAT MIGHT REMAIN DORMANT AND UNPRODUCTIVE FOR MANY YEARS. I HAVE FLOWN OVER THESE MILLIONS OF ACRES OF UNTOUCHED DOMAIN WHERE OPPORTUNITIES ARE SO PREVALENT.

THE UNITED STATES GOVERNMENT GRANTED OUR RAILROADS EVERY OTHER SECTION OF LAND CLEAR TO THE PACIFIC COAST TO ASSIST IN THE DEVELOPMENT OF THE WEST. IT IS THESE GRANTS THAT LARGELY SUPPORT OUR WESTERN RAILROADS NOW. THEY HAVE BEEN FOUND RICH WITH OIL AND OTHER RESOURCES. MIGHT NOT THE SOUTH AMERICAN COUNTRIES GRANT SUCH LAND, OIL AND MINERAL CONCESSIONS IN EXCHANGE FOR CONSTRUCTIVE DEVELOPMENT AND MILLIONS OF DOLLARS OF CAPITAL INVESTMENT?

9. The memorandum states: "The political and economic problems in the relocation of large alien populations in other countries are considerable."

NOT IF PROPERLY PLANNED AND EXECUTED. THEY WOULD MORE APTLY BE DESCRIBED POLITICAL AND ECONOMIC ADVANTAGES, NOT PROBLEMS. HAPPY AND CONTENTED EMIGRES DO NOT CONSTITUTE A POLITICAL PROBLEM, AND IF THEIR COMING MEANS CAPITAL INVESTMENTS RUNNING INTO MILLIONS OF DOLLARS THEY ARE A DEFINITE ECONOMIC ADVANTAGE TO THE COUNTRY RECEIVING THEM.

10. The memorandum states: "So are the obstacles in the way of emigration from many countries, particularly those behind the Iron Curtain."

WITH MONEY TO FINANCE THEIR EXODUS AT THEIR DISPOSAL EVEN MANY BEHIND THE IRON CURTAIN WILL MAKE IT, WITH OR WITHOUT THE CONSENT OF THEIR GOVERNMENT. IT HAS BEEN, HOWEVER, THE SUGGESTION OF THIS COMMITTEE THAT THE UNITED NATIONS MAKE IT POSSIBLE FOR ALL PEOPLE WISHING TO LEAVE THEIR RESPECTIVE COUNTRIES THE OPPORTUNITY OF DOING SO WITH THEIR GOVERNMENT'S CONSENT.

11. The memorandum states: "Finally, there are competent institutions already in existence, in which the United States Government participates and which are able to be of considerable assistance to countries desiring loans for economic development. The International Monetary Fund, the International Bank of Reconstruction and Development, the Export-Import Bank and the International Cooperation Administration, are actively working at promoting international economic stability and growth. While the work of these institutions is carried on on a smaller scale than that envisaged by the corporation proposed by the Middle East Settlement Committee, it does not involve the difficulties and obstacles foreseen in connection with the concept of the "World Development Corporation."

THESE ARE FINE INSTITUTIONS. THEY UNQUESTIONABLY HAVE ACCOMPLISHED MUCH CONSTRUCTIVE WORK. HOWEVER, WHAT ASSETS HAVE WE TO SHOW FOR THE BILLIONS SPENT FROM JULY 1, 1940 TO JUNE 30, 1955:

IN OUR OPINION EVERY RECIPIENT COUNTRY SHOULD SECURE US WITH SOMETHING TANGIBLE IN RETURN FOR ECONOMIC FINANCING. MANY OF THESE COUNTRIES RECEIVING OUR AID HAVE BEEN BALANCING THEIR BUDGETS AND REDUCING TAXES WHILE OUR OWN BUDGET, BECAUSE OF OUR PRESENT GIVEAWAY PROGRAM, SHOWS A DEFICIT AND OUR TAXES KEEP GETTING HIGHER. WE HAVE EXTENDED HELP TO MANY NATIONS WHICH ARE IN A BETTER FISCAL POSITION THAN WE ARE. OUR COMMITTEE IS OLD-FASHIONED--WE BELIEVE CHARITY BEGINS AT HOME.

ALSO, WHAT DID WE GET IN RETURN FOR THE FOLLOWING "MUTUAL AID"?

CHINA					•				٠	\$ 2,861,376,000.00
CZECHO										
YUGOSI	A	I	4 .							750,730,000.00
RUSSIA	1			٠		٠				11,241,614,000.00

THIS IS A LOT OF MONEY TO DOLE OUT WITH NO "HARD SECURITY". WE BELIEVE OUR PRESENT FOREIGN AID SPENDING IS EXTRAVAGANT, WASTEFUL AND MOST UNFAIR TO THE AMERICAN TAXPAYER. THE U.S. TAX LOAD EQUALS THAT OF ALL FREE NATIONS COMBINED. WE HAVE A FEDERAL DEBT TWICE THAT OF ALL FREE NATIONS. OUR DOLLAR IS WORTH ABOUT HALF OF ITS PREWAR VALUE. THE VALUE OF LIFE INSURANCE POLICIES, TIME DEPOSITS, E, F AND G SAVINGS BONDS HAS BEEN CUT 50%. THIS HAS BEEN A HARDSHIP FOR THE OLD AGE PENSIONER AND THE THRIFTY AMERICANS SAVING FOR THEIR DECLINING YEARS. TO USE THE VERNACULAR, WE THINK AMERICANS HAVE BEEN PLAYED FOR "PATSIES" LONG ENOUGH.

OUR PLAN SUGGESTS AN OPERATION, FREE OF POLITICS, FOR MUCH LESS OF THE TAX-PAYERS' MONEY; AND WE THINK OUR CONCEPT IS MORE PRACTICAL FROM THE STANDPOINT OF RESULTS.

Respectfully,

MIDEAST SETTLEMENT COMMITTEE

E. M. GREENWOOD (Signed)

E. M. Greenwood, Chairman The Shoreham Hotel Washington, D. C.

****THIS \$108,847,779,000.00 DOES NOT INCLUDE UNCLE SAM'S CAPITAL INVESTMENT IN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AMOUNTING TO 635 MILLION (\$635,000,000.00) DOLLARS. THE INTERNATIONAL MONETARY FUND--2,750 MILLION (\$2,750,000,000.00) DOLLARS, NOR THE EXPORT-IMPORT BANK.

ADDENDUM SENT TO MR. ROBERT MURPHY MARCH 26TH (add to page 2, point 5 after "ASSISTANCE AND COOPERATION DO NOT CONSTITUTE EXPLOITATION."

FOREIGN NATIONS DO NOT FEAR AMERICAN INVESTMENTS AND BUSINESSMEN; THEY FEAR AMERICAN POLITICS.

ALSO, IN OUR OPINION THE UNITED STATES GOVERNMENT REALLY SHOULD NOT CORNER THE MARKET ON FOREIGN AID. MAYBE WE SHOULD ENCOURAGE A LITTLE COMPETITION, SO THAT EVERY COUNTRY MAY KNOW AND REALIZE IT IS NOT THE THOUGHT OR DESIRE OF OUR CORPORATION TO "EXPLOIT THE ASSETS AND RESOURCES OF OTHER NATIONS." LET US SUGGEST TO ANY NATION, LARGE OR SMALL, WISHING TO HELP THE CAUSE OF WORLD PEACE AND ECONOMIC DEVELOPMENT, THAT THEY TOO ISSUE THEIR OWN PEACE BONDS TO SECURE CAPITAL TO RETIRE THEIR WAR INDEPTEDNESS AND ASSIST IN A WORLD DEVELOPMENT PROGRAM BY RELOCATING PEOPLE FROM EXPLOSIVE AREAS. GREAT BRITAIN, FRANCE, CANADA, COULD HAVE THEIR OWN WORLD DEVELOPMENT-PEACE BOND PROGRAM. LET'S SPREAD FOREIGN AID AROUND A LITTLE BIT. COMPETITION IS THE LIFE OF ALL TRADE. WHY SHOULD "UNCLE SAM" HAVE THIS EXCLUSIVE CONCESSION?

March 24, 1957

The Honorable Robert Murphy Deputy Under Secretary of State Washington, D. C.

Dear Mr. Murphy:

Too much time has been lost since December 15th when Egypt accepted my proposals for the settlement of all problems over there. The situation is explosive and calls for immediate action.

At our own expense we are prepared to set up the World Development Corporation at once, and secure twenty-four American leaders of finance and industry to comprise our Board of Directors. They shall serve without compensation and be approved by the Senate Foreign Relations Committee and the House Foreign Affairs Committee, or any other approval you deem necessary.

We shall confirm the deal I have made with Egypt. This will settle the Suez Canal, Arab-Israeli Conflict and Refugee problem immediately. A trial issue of Peace Bonds shall be authorized to cover the Egyptian loan and possibly one to Israel. All we ask our government to do is to guarantee the bonds and make them tax exempt. There shall be no disbursement of funds until approved by the committees mentioned. This first trial balloon will prove the practicability of our plans.

I would appreciate the opportunity of discussing this matter with you personally at your earliest possible convenience.

Sincerely yours,

MIDEAS SETTIMENT COMMITTEE

E. M. Greenwood, Chairman

EMG:P

Attached is our reply to your memorandum.

MIDEAST SETTLEMENT COMMITTEE

PROPOSAL FOR

WORLD PEACE BONDS

(TO BE MARKETED AND PROCEEDS USED TO FINANCE WORLD PROJECTS)

WE HAVE HAD LIBERTY BONDS, WAR BONDS, DEFENSE BONDS, SAVINGS BONDS AND NOW IT IS APROPOS FOR AMERICA AND THE WORLD TO HAVE "WORLD PEACE BONDS", THE PROCEEDS OF WHICH SHALL FINANCE SPECIFIC PROJECTS OF FOREIGN COUNTRIES, OPEN UP UNDEVELOPED AREAS, AND RELOCATE PEOPLE SEEKING NEW HORIZONS AND OPPORTUNITIES.

FIRST ISSUE \$75,000,000,000 (SEVENTY-FIVE BILLION DOLLARS). NO INTEREST FOR FIRST 5 YEARS; THEREAFTER 3% PER ANNUM. FROM THIS FIRST ISSUE E, F AND G SAVINGS BONDS (APPROXIMATELY 50 BILLION DOLLARS) CAN BE RETIRED OR EXCHANGED. PRESENT HOLDERS WILL HAVE AN OPPORTUNITY TO RECOUP THE 50% "SHRINKAGE" IN VALUE CAUSED BY OUR PRESENT IN-FLATION. THIS WILL SAVE OUR GOVERNMENT \$1,625,000,000 (ONE BILLION SIX HUNDRED TWENTY-FIVE MILLION DOLLARS) PER YEAR IN INTEREST, AND WITH CONVERSION REDUCE OUR NATIONAL DEBT CONSIDERABLY.

WITH EACH \$1,000** BOND THERE WILL BE GIVEN ONE SHARE OF COMMON STOCK THAT WILL PARTICIPATE IN PROFITS OF "WORLD DEVELOPMENT CORPORATION", WHICH PROFITS WILL BE DERIVED FROM OIL, MINERAL AND LAND GRANT CONCESSIONS GIVEN TO THE CORPORATION BY THE BORROWING NATION.

THESE BONDS SHALL BE GUARANTEED BY THE U. S. GOVERNMENT AND SOLD TO THE AMERICAN PUBLIC AND TO PEOPLES OF ALL NATIONS WISHING TO INVEST IN WORLD PEACE AND SECURITY. (THERE IS MUCH WEALTH AND PRIVATE MONEY AVAILABLE OUTSIDE THE U. S. THAT CAN BE CHANNELED INTO THESE "PEACE BONDS".) THEY SHALL BE AN ELIGIBLE INVESTMENT FOR ALL BANKS, INSTITUTIONS, TRUSTS, ETC.

BONDS AND THE COMMON STOCK SHALL BE TAX EXEMPT FOR FIRST 30 YEARS FROM ALL GOVERNMENT INCOME AND INHERITANCE TAXES AND ALL COUNTY AND STATE TAXES.

ALTHOUGH THE BONDS WILL BE MARKETED WITHIN A YEAR, IT WILL TAKE MUCH TIME BEFORE FUNDS ARE DISBURSED. U. S. GOVERNMENT SHALL HAVE USE OF ALL INTERIM MONEY.

PROCEEDS FROM BONDS WILL HELP UNDEVELOPED COUNTRIES, PUTTING THEM ON SELF-SUPPORTING BASIS, AND IMPROVE INTERNAL ECONOMY OF EACH BORROWING NATION, PROVIDING MORE INDUSTRIES, OPPORTUNITIES, PAYROLLS AND A HIGHER STANDARD OF LIVING. THIS MONEY WILL AFFORD MILLIONS OF "HAVE NOTS" WITH NEW HOPES AND OPPORTUNITIES BY RELOCATING THEM IN NEW AREAS.

THE SALE OF THESE BONDS WILL BECOME THE BEST GUARANTEE AGAINST INFLATION, NOT ONLY IN AMERICA BUT IN ALL COUNTRIES THROUGHOUT THE WORLD.

THESE BONDS WILL ELIMINATE THE NECESSITY OF PRESENT U. S. GOVERNMENT FOREIGN AID AND SPENDING.

WITH MILLIONS OF PEOPLE THROUGHOUT THE WORLD INVESTING IN THESE BONDS AND HAVING A PERSONAL FINANCIAL STAKE IN WORLD PEACE MUCH OF THE THREAT OF WAR WILL BE ELIMINATED. WITH PERMANENT PEACE MORE ASSURED, ALL DEFENSE BUDGETS CAN BE GREATLY REDUCED.

THESE BONDS WILL BE A PATRIOTIC INVESTMENT AS WELL AS PROFITABLE. PROCEEDS CAN ALSO BE USED TO ELIMINATE STRIFE AND MINORITY GROUP PROBLEMS HERE IN U. S.

RESPECTFULLY SUBMITTED,

SHOREHAM HOTEL

WASHINGTON, D. C'

**CONVERTIBLE INTO AN ADDITIONAL SHARE OF COMMON STOCK ANY TIME WITHIN FIVE YEARS. PROFITS FROM CORPORATION COULD BE ENOUGH TO MAKE THIS FEATURE ATTRACTIVE.

MIDEAST SETTLEMENT COMMITTEE

PLAN AND PROPOSALS

(GENERAL)

1. ESTABLISH WORLD DEVELOPMENT CORPORATION (QUASI-GOVERNMENT).

DIRECTORS SHALL COMPRISE LEADERS OF AMERICAN FINANCE AND INDUSTRY. THEY SHALL SERVE WITHOUT COMPENSATION. THESE REPRESENTATIVES OF AMERICAN LEADERSHIP SHALL HELP OTHER COUNTRIES PROSPER IN THE PROVEN AND SUCCESSFUL AMERICAN MANNER.

PURPOSES OF THIS CORPORATION SHALL BE TO ASSIST AND FINANCE PROJECTS FOR OTHER COUNTRIES THROUGHOUT THE WORLD; TO GIVE TECHNICAL ADVICE AND "KNOW-HOW" TO ALL COUNTRIES WANTING SUCH HELP.

LOANS WILL BE MADE BY THIS CORPORATION TO NATIONS DESIRING LOANS ON A STRAIGHT BUSINESS BASIS (NO POLITICAL TIES OR RESTRICTIONS), IN AMOUNTS THAT CAN BE COMFORTABLY AMORTIZED OVER PERIODS OF TIME AGREED UPON. ALL LOANS SHALL BE ADEQUATELY GUARANTEED AND SECURED BY THE BORROWING NATION. THEY SHALL BE MADE ON A BASIS OF ECONOMIC ASSISTANCE AND COOPERATION, FOR PURPOSES OF INTERNAL DEVELOPMENT--NOT EXPLOITATION.

EVERY NATION HAS ASSETS IN THE FORM OF CONCESSIONS AND NATIONAL RESOURCES TO PLEDGE AS SECURITY, AND WILL GLADLY DO SO IN RETURN FOR NEEDED FINANCING OF PROJECTS THAT WILL HELP THEIR INTERNAL ECONOMY AND MAKE THEM SELF-SUPPORTING.

2. THERE SHALL BE MARKETED A "WORLD PEACE BOND" ISSUE LARGE ENOUGH TO RETIRE PRESENT U. S. SAVINGS BONDS AND COVER NECESSARY LOANS AND FINANCING CONTEMPLATED BY THE CORPORATION.

NO INTEREST WILL BE PAID ON THESE BONDS FOR THE FIRST 5 YEARS; THEREAFTER THEY WILL CARRY A 3% PER ANNUM RATE.

WITH EACH \$1,000** BOND WILL BE GIVEN ONE SHARE OF COMMON PARTICIPATING STOCK. THIS STOCK WILL SHARE IN THE PROFITS OF THE CORPORATION. PROFITS WILL BE DERIVED FROM MINING, OIL, LAND GRANTS, DEVELOPMENT PROJECTS AND ALL CONCESSIONS GIVEN TO THE CORPORATION BY BORROWING NATION.

THESE BONDS WILL BE ELIGIBLE FOR INVESTMENT BY BANKS, INSURANCE COMPANIES, TRUSTS, STATES, COUNTRIES AND MUNICIPALITIES, AND WILL BE GUARANTEED BY THE U. S. GOVERNMENT.

THE BONDS AND THE COMMON STOCK SHALL BE TAX EXEMPT FROM EVERY TAX (U.S., COUNTY, STATE, INHERITANCE, ETC.) FOR 30 YEARS. ENHANCEMENT IN VALUE OF COMMON STOCK SHALL BE FREE FROM CAPITAL GAINS, INCOME TAX, ETC.

- 3. TO HELP ALL UNDEVELOPED NATIONS AND TERRITORIES WISHING DEVELOPMENT AND ADDITIONAL IMMIGRANTS (SOUTH AMERICA) THE U. N. AND THE U. S. WILL LET THE BARS DOWN IN ALL COUNTRIES. THIS WILL ALLOW ALL PEOPLE WISHING TO LEAVE THEIR RESPECTIVE COUNTRIES THE OPPORTUNITY OF DOING SO AND EMIGRATING TO ANY OTHER COUNTRY WISHING AND DESIRING TO TAKE THEM.
- 4. NEGOTIATE WITH SOUTH AMERICAN COUNTRIES TO RECEIVE IMMIGRANTS. THE CORPORATION, IN RETURN FOR CONCESSIONS AND LAND GRANTS, WILL AGREE TO DEVELOP VAST AREAS WITH NEW HOMES, INDUSTRIES, POWER, IRRIGATION, ROADS, SCHOOLS, HOSPITALS, ETC., ALL TO ACCOMMODATE NEW IMMIGRANTS.

THE CORPORATION WILL AGREE TO SPEND ALL NECESSARY FUNDS FOR SUCH DEVELOPMENT AND IMPROVEMENTS, AND WILL BE GIVEN TAX CONCESSIONS FOR FIRST 30 YEARS FROM RECIPIENT COUNTRY.

**CONVERTIBLE INTO AN ADDITIONAL SHARE OF COMMON STOCK ANY TIME WITHIN FIVE YEARS. PROFITS FROM CORPORATION COULD BE ENOUGH TO MAKE THIS FEATURE ATTRACTIVE.

5. FROM FIRST BOND ISSUE UNDERWRITE EXPENSE OF RELOCATING 5,000,000 PEOPLE FROM EUROPE, IRON CURTAIN COUNTRIES, MIDEAST, ETC.

APPROXIMATE BREAKDOWN:

TRANSPORTATION & MISCELLANEOUS FOR RELOCATING 5,000,000 PEOPLE AT \$500 EACH: 20-YEAR LOANS, BEARING 4% INTEREST.

\$2,500,000,000

1,000,000 NEW HOMES AT \$5,000 EACH. 30-YEAR MORTGAGES, 4% INTEREST.

\$5,000,000,000

ROADS, SCHOOLS, HOSPITALS, POWER, IRRIGATION AND OTHER NECESSARY IMPROVEMENTS. MORTGAGES AND REVENUES TO BE OWNED BY CORPORATION.

\$5,000,000,000

AVAILABLE FOR LOANS TO OTHER COUNTRIES, ALL ADEQUATELY GUARANTEED AND SECURED.

\$12,500,000,000

\$25,000,000,000

6. CURTAIL U. S. "HANDOUT" AID AS ALL FUTURE FINANCING WILL BE CARRIED OUT ON LEGITIMATE BUSINESS LOAN BASIS BY THE CORPORATION. THIS WILL SAVE AMERICAN TAXPAYERS MILLIONS OF DOLLARS PRESENTLY BEING SPENT.

FORESEEABLE ADVANTAGES OF ENTIRE GENERAL PLAN:

SPENDING OF FUNDS FROM PART OF FIRST BOND ISSUE (25 BILLION DOLLARS) WILL PROVE A BOON TO AMERICAN BUSINESS AND OTHER NATIONS' ECONOMY. MUCH OF THIS MONEY WILL BE USED TO PURCHASE AMERICAN PRODUCTS, MATERIALS AND MACHINERY, THEREBY PROVIDING MORE PAYROLLS, MORE BUSINESS, MORE PROFITS, MORE TAXES.

BY THE DEVELOPMENT OF PREVIOUSLY DORMANT AREAS NEWER AND GREATER MARKETS FOR OUR OWN PRODUCTS WILL COME INTO BEING, THUS INCREASING OUR OWN INCOME AND PROSPERITY. THE ECONOMY OF OTHER NATIONS SHALL LIKEWISE BE ENHANCED BY CONTEMPLATED INVESTMENTS IN THEIR UNDEVELOPED AREAS.

CREATE A MASSIVE TAX ACCOUNT AFTER 30 YEARS FOR OUR OWN TREASURY, THUS ASSURING CONTINUED PROSPERITY.

WITH THE THOUSANDS OF PEOPLE INVESTING IN THESE PEACE BONDS IT WILL DO MUCH TO ELIMINATE THE THREAT OF INFLATION IN ALL COUNTRIES.

MANY FORMS OF FOREIGN AID CAN BE ELIMINATED, THUS SAVING THE U. S. SEVERAL BILLIONS OF DOLLARS EACH YEAR ALLOWING BUDGET CUT.

BOND CONVERSION AND EXCHANGE WILL REDUCE U. S. NATIONAL DEBT AND SAVE U. S. \$1,625,000,000 INTEREST EACH YEAR.

MORE EFFECTIVELY SECURE THE COOPERATION AND RESPECT OF OTHER NATIONS, THUS PRESERVING PEACE AND MAKING "BETTER FRIENDS AND INFLUENCING PEOPLE" CONSTRUCTIVELY.

HELP ELIMINATE THREAT OF WAR AND SAVE U. S. AND OTHER NATIONS FURTHER BILLIONS IN DEFENSE EXPENDITURES, PARTICULARLY IN THE MIDEAST. MONEY NOW SPENT FOR DEFENSE AND WAR PURPOSES BY ALL NATIONS CAN BE USED FOR THEIR INTERNAL ECONOMY.

ELIMINATE MILLIONS PRESENTLY BEING SPENT BY U.N. AND U.S. ON REFUGEES.

MAKE 5 MILLION PEOPLE HAPPIER BY GIVING THEM NEW LIFE OF SECURITY AND CONTENTMENT, NEW HOPES AND AMBITIONS.

THE PLAN WILL DO MUCH TO COMBAT COMMUNISM AND MAKE U.S. LEADERSHIP DOMENANT THROUGHOUT THE WORLD.

E M. GREENWOOD, CI

COMMITTEE

WASHINGTON, D. C.

(2)

Riches of Sahara May Aid France

By Edmond Taylor

PARIS-One of the few peoples almost untouched by twentieth - century civilization are the Touaregs of the Sahara-the veiled men who covhara—the veiled men who cover their faces with a square of indigo cloth which dyes their faces blue, and who live a nomadic life among the savage barren rocks of the Hoggar Now French prospectors have returned to Paris to report that there is uranium in the Hog

This is only one detail in a revised picture of the 3 million square miles of arid sand, gravel, rock and mountain which make up the Sahara Desert. Postwar exploration has shown this riay be one of the world's richest storehouses of natural resources. It has also aroused the acquisitiveness of half a dozen adjoining territories which would like to get their hands on some or all of the Sahara, at present held in its near entirety by France. The stage is set for a clash of rivalries over the Sahara which could create a tangle compared to which France's present headaches in Algeria would seem This is only one detail in aches in Algeria would seem insignificant.

Oil and Minerals There

Initial reports of the potentialities of the Sahara were widely discounted, but it has begun to appear that the reality begun to appear that the reality will exceed the most exuberant forecasts. Pierre Guillaumat, head of the French Oil Research Bureau, says that within three years the Bahara can produce 9 million tons of oil 7a quarter of France's annual consumption) and in 15 can supply all France's needs. The latest researches also indicate that the Sahara probably encloses at least as much iron as the at least as much iron as the rich Lorraine deposits. The findout mines alone can produce between five and 10 million to yearly, one jourth of France present needs.

The Sahara possesses, in commercially profitable amounts and positions, manganese; coal, copper, lead and zinc. Gold is present, but has hitherto been considered irrecoverable in the considered irrecoverable in the Sahara ince gold mining requires is; a quantities of water. But i went explorations indicate that there are several great underground lakes which can be tapped by modern methods.

Development of the Sara's oil Will reduce Europe's pendence on Middle East oil

Oil Oil Coal LIBYA Copper ALGERIA **沙丽** Copper (25) FRENCH WEST AFRICA FRENCH EQUATORIAL AFRICA NIGERIA Gulf of Guinea

Map locates sources of Sahara's wealth, eyed by France

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Amazon Jungle of Peru Is Site of Oil Discovery

special to The New York Times. LIMA, Peru, March 12-Oil has been struck by El Oriente Petroleum Company near Contamana, ninety-three miles north of Pucalipa on the Ucayali River, a main tributary of the Amazon. It is the first strike in Peru's Amazon region on concessions granted to fifteen companies under a liberal 1952 petroleum law.

The discovery, made on March 10, was confirmed today by a company official. The company, Peruvian owned, is company, reruvian owned, is wildcatting in cooperation with German interests. The well is expected to produce about 500 barrels a day. It was the third drilled on the

barrels a day. It was the third drilled on the company's ex-ploration concessions of more than 3.700.000 acres. The only company now pro-ducing in Peru's eastern jungle is Ganso Azul, which has drilled eighteen wells since 1938. The Amazon concessions total some 35,000,000 acres.

NEW URANIUM SOURCE

Radioactive Coffinite Found on New Zealand Island

LONDON (Science Service)-The highly radioactive uranium mineral, coffinite, has been discovered in rocks of the Buller C -ge region of the South Island of New Zealand, J. J. Reed and G. G. Claridge of New Zealand have reported.

The uranium mineral, first discovered in 1955 on the Colorado Plateau in the United States, has also been made in the laboratory. Coffinite is a uranous silicate with the chemical fearure. ical formula USiO4 and contains as much as 61 per cent uranium. Highest amounts of uranium in minerals are found in the urani-nites, with about 85 per cent.

New Zealand. . \$2,300,000.00

U. S. Interests Acquire Control Of British Gold Concern in Brazil

By TAD SZULC Special to The New York Times

RIO DE JANEIRO, Jan. 29in intriguing financial mystery here these days is the identity of the United States interests who acquired stock control of a who acquired stock control of a British company in Brazil, and with it what may be one of the hemisphere's most important iron deposits, According to information

reaching here from London, a United States group has quietly purchased in recent months a purchased in recent months a majority of the shares of the St. John d'el Rey Mining Company, which has been producing gold in Minas Gerais State for 126 years, but which since last year has been losing money.

The important thing about the 130-square-mile property some 125 miles north of Rio de Janeiro, is that it contains iron ore reserves that some experts estimate at upward of 2,000,000,000 tons.

tons.

It is believed that the best ore found there has a hematite content of 65 to 67 per cent. which is superior to the orea of the rich Mesabi Rangas in the United States. Other veins have gold ore yields about twelve grams of gold. The company also produces silver.

In London the St. John d'el Rey property also has bauxité and maye est imated at 7,000,000 tons. It is calculated that a ton of the grams of gold. The company also produces silver.

The area lies near the so-

In London, the St. John d'el Rey concern announced that at least half of the company's stock was held by or on behalf of United States

stockholders, and that four nominees of this stockholder group recently had been elect-ed directors. One of these is H. Thomas Osborne, of the New York Stock Exchange member firm of Osborne & Thurlow.

[A spokesman for Mr. Os-

Thurlow.

[A spokesman for Mr. Osborne said in New York that the United States interests proposed to put the gold mining operations of St. John d'el Rey on a profitable basis and increase production. It might then negotiate with some iron or steel concerza on proposals for developing the some iron or steel concerns on proposals for developing the property's iron ore, he said. He stressed that no such negotiations were being conducted now. He declined to identify the stockholders except to say the group was a private syndicate.]

The area lies near the so-called "iron quadrangle" of Minas Gerais, which is believed to have two billion tons of iron ore and now produces about 2,-500,000 tons a year.

Peru \$13,394,000.00

during another five-riod, the land would be at a cost of \$420 an restore of Alex-of the ancient said the 10 years. would be reservoir ad tapping tributary estimated land without foreign fine or technical aid.

The project would rette desert land south of andria which was one or chief granaries of the archief granaries of the archief granaries of the an announcement said.

An announcement said an announcement said the first five years would devoted to forming a resiby digging a canal and ta the river Rosetta, a trile of the Nile. Cost was estill of the Nile. Cost was estill or the result of the Nile. 8 project woul
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Then, durin
year period, th E. M. Greenwood, Chairman of the Mideast Settlement Committee, just returned from Cairo where he had constructive talks with President Nasser, has submitted definite plans and proposals to President Eisenhower, Secretary Humphrey, the Senate Foreign Relations Committee and the State Department, that, in his opinion, will answer all of the Mideast difficulties--Suez Canal, Arab-Israeli conflict, refugees--and secure the constructive cooperation of the Middle East countries with the West.

Greenwood states that these Plans and Proposals will also solve the problems confronting the 192,000 Hungarian refugees who have fled Communist rule since last October.

Implementation of plans submitted will eliminate much of our foreign aid spending, allow necessary cuts in our budget, and be a brake on the inflationary trend prevailing here and in other countries. It will mean the financing of national security can be put on a profitable business basis. Through the suggested sale of "Peace Bonds" everybody will have the privilege of participating in a world peace offensive.

From the first issue of Peace Bonds, Greenwood recommends the retiring of all outstanding E, F and G Savings Bonds. This will save our government over a billion and a half dollars (\$1,500,000,000) annual interest. Because of our present inflation the value of E, F and G Savings Bonds has decreased 50%. The privilege of converting them to "Peace Bonds" will afford E, F and G Bondholders an opportunity to recoup this "shrinkage". Conversion of these bonds will also materially reduce our national debt.

In Greenwood's opinion there is no longer any need of giving aid to foreign nations at the expense of the American taxpayer. Much of the One Hundred Sixteen Billion Dollars (\$116,000,000,000) given as Lend-Lease, Grants in Aid, and Loans, since July 1, 1940, can be saved, according to Greenwood.

Foreign aid and cooperation with all countries can be handled on a sound business basis, and this method is preferable to the leaders of other countries. "Nations, like people, prefer to borrow money legitimately on a straight financial basis, without political strings and restrictions." George M. Humphrey, Secretary of the Treasury, has proposed that all future U. S. economic foreign aid be in repayable loans.

Premier Nu of Burma recently stated: "BURMA IS WILLING TO ACCEPT UNITED STATES ECONOMIC AID, BUT WE PREFER TO PAY FOR IT, AS THIS FORMS A MORE SOLID BASIS OF FRIEND-SHIP THAN ACCEPTANCE OF GIFTS." Premier Nu is voicing the real feelings of all nations toward economic cooperation.

It is our opinion that the American people would rather loan five dollars well secured and get it all back, than to dissipate one dollar with no return. This method would better assure the cooperation, respect and loyalty we so earnestly desire from the rest of the world. Dollars cannot buy affection.

Associate Justice William O. Douglas of our Supreme Court publicly stated on January 26, 1957: "WE MUST THINK MORE IN TERMS OF PEOPLE AND THEIR DREAMS OF FREEDOM THAN IN TERMS OF GUNS AND DOLLARS. FRIENDSHIPS ARE MADE NOT BY LAVISH GRANTS BUT BY KINDLY ATTITUDES AND COMMON OBJECTIVES."

The operation of our plan will mean that nations desiring adequate financing will be able to secure it in a businesslike manner with dignity, without political entanglements. Our plan will open a new era for answering many of the world's problems, and save America from bankruptcy.

MIDEAST SETTLEMENT COMMITTEE

E. M. Greenwood, Chairman Shoreham Hotel Washington, D. C.

Ru/K Central Files

In reply refer to

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Dear Mr. Greenwoods

Your letter of April 8 to Mr. Musphy regarding the plans and proposals of the Mideast Settlement Counittee has been referred to this office for reply.

We appreciate your continuing interest in finding a solution to the problems of the Middle East. The proposals you forwarded have been widely circulated in the Department.

Yours sincerely,

Stuart W. Rockwell
Deputy Director
Office of Wear Eastern Affairs

Mr. E. M. Greenwood, Chairman, Mideast Settlement Countition, The Shoreham Hotel, Washington, D.C.

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April 8, 1957

Honorable Francis O. Wilcox 4323 Albemarle Street, N. W. Washington 16, D. C.

Dear Mr. Wilcox:

As an executive of our government you should be interested in the enclosed Plans and Proposals recently submitted to President Eisenhower, our State Department and our Congress.

We would greatly appreciate your comments. May we have them?

Sincerely yours,

TTLEMENT COMMITTEE

Greenwood, Chairman

The Shoreham Hotel

Washington, D. C.

Enclosures

DC/R

manipur.

April 9 19 7 2 3

Dear Senator Potter:

I refer to your letter of March 22, 1957, transmitting a copy of a letter from Mr. William Friedman of Detroit to Senator Rumphrey and requesting our comments thereon.

We believe Mr. Friedman has based his remarks concerning Mr. Byroade's testimony upon a misinterpretation of statements attributed to Mr. Byroade.

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With regard to Mr. Friedman's allusions to United States policy in the Middle East, the following comment is offered. We have believed and continue to believe that the basic problems of the Near East, foremost of which are the future status of Sues and the Arab-Israel dispute, can not be solved satisfactorily by armed intervention. Thus, we counseled restraint when British and French leaders spoke of the need for forcible action following the Egyptian nationalisation of the Sues Gamal Company on July 26, 1956. We believed that forcible action would have seriously unfavorable results, such as the blockage of the Gamal, substage of oil pipelines, opportunity for increased spread of Gammunist influence, and the undermining of the prestige of the West, especially that of Great Britain and France, in the Middle East. Unfortunately, these apprehensions were amply justified.

Our position was then and remains today that the Sues and Arab-Israel disputes must be solved passefully in assertance with the principles of justice and international law. With regard to Sues, such solution should be based on the Sometantinople Convention of 1888 and on the Six Principles endersed by the Security Council on October 13, 1986. These principles include "free and open transit through the Senal without discrimination, evert and covert." Our position with regard to settlement of the larger Arab-Esrael dispute was described in the Security's speech of August 86, 1985, in which we set forth the contributions we were prepared to offer to both sides to assist in reaching a passeful solution. This offer remains valid today and a copy of the speech is enclosed for your ready reference.

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The Henorable Charles B. Potter, United States Senate.



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law. In the light of these considerations, our position has been the first requirement for peace in the Middle East was the withdres of investing forces from Egyptism territory and from the Gama Strip compliance with the resolutions of the United Mations General Asses It is our belief that the use of military force to solve international disputes such as these can not be reconciled with the principles and purposes of the United Mations, to which we subscribe. We can not believe that resort to force and war will for long serve the We did not believe that any progress toward settlement of major issues of the area could be made until this withdrawal was completed. be served by our support of the principles of justice and international law. In the light of these considerations, our position has been that United Nations and elsembers have been based on the thesis, which we believe to be sound, that our interests throughout the world will best permanent interests of the attacking nations. Our actions in the L

possible to make progress toward softlement of some of the outstanding issues. We are convinced that Israel was right in withdrawing, both fro the point of view of strongthening security and stability in the area and from that of Israel's long-term interests. It is unfortunate that, since the withdrawal, matters have not gone as smoothly as we had hoped. However, we believe that with patience and parsistence, we may be able to swoid a return to the status quo ante and perhaps be able to do more. would entometically bring peace to the area. However, we believe that it has brought an improvement in the political atmosphere and security situation in the area and that in this improved climate it may be We have had no illusions that the withdrawal of invading fore De la

the right of fre the Sues Genal. in public and in the Sues Canal. We have made our position on these points clear, both in public and in our relationships with the states concerned, and we note that since the withdrawal of the investing forces ships have been proceeding to the Israel part of Kilst in the Gulf of Again. specifically, we believe that Israel shipping should enjoy of free and imposent passage through the Straits of Tiren

durken so The Gasa situation is complicated. We ying to reconcile the rights of Egypt the Indiana with what we believe to be the by THE SHOLES COPA OF LANA are well establis sin in the area A PRINT are faced with the problem ander the Comprel Armistics

Finally, it appears to be Mr. Friedman's belief that the United States can and should solve these problems unilaterally through its own efforts. The United Nations is the ergan properly seized of these grave problems, and I think you will agree that such issues, involving many nations, do not lend themselves to settlement by the unilateral efforts of a single power.

Mr. Friedman's letter is returned as requested.

Sincerely yours,

Robert G. Hill Assistant Secretary

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Modlogures

- 1. The Souretery's speech of August 26, 1955.
- Mr. Friedman's letter of March 1k, 1957 to Seneter Hamphrey.

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APR 1 1857 A.M.

APR 9 1957

15-48 CONFIDENTIAL Action Control: 7038 Rec'd: April 10, -195 MEA FROM: Cairo 10:41 p.m. Info Secretary of State RMR 3186, April 10, 10 p.m. SB Must G -SP SENT DEPARTMENT 3186; REFEATED INFORMATION TEL AVIV 182 80 JERUSALEM 53, AMMAN 225, BEIRUT 340, DAMASCUS 223, LONDON 556, W PARIS 465, NEW YORK 75. L -IO Information Director Hatem April 6 declared, "Israel's rulers" 0 have made series statements threatening attack Egyptian territory ? HUR latest being Meier's saying IDF might at anytime reoccupy I territory. April 10 Hatem commented on Israeli allegations ÜCP filtration incidents pointing out Israelis had made no complaints to MAC and had requested no investigation. Hatem then charged Israeli overflights Gaza on March 17, 18 and 22 and incursions Israeli patrols for looting purposes March 13 and 28 and April 8 OLI OGP USIA (fellowing which Egypt protested to MAC requesting investigations)
"prove Israel still maintains attitude defiance UN in spite
presence UNEF". Hatem continued: "Israel obviously seeking CIA OSD ALMY 0) create smoke screen cover aggression now being contemplated. Y VAN Incidents not important in themselves unless regarded as prelude grave eruptions and new acts terror and violence. Egypt which recent warned Israel's leaders against threats and provocation can controlled to world opinion full context these acts which AIR aimed sclely at defying UN and making mockery peace and security this area. 0 थ Commenting on April 10 statement St AB said "Israel preparing perpetrate new act as ression against Arab fatherland ... with aid imperial) t state ". Comment: Hatem statemen s consistent GCE estimate that renewal hostilities cannot be excluded. GOE reiterating position held particularly since February 28, 1955 that Israeli record of raise and threats demonstrates Israeli not Egyptian "belligerence" and that Egyptian exclusion Israeli vissels Egyptian territorial waters logical measure self-defense. GOE also contrasts its compliance GAA use MAC procedure and acceptance UNEF with Israeli visitions CAA and down playing the reducing tension

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violations GAA and down-playing UN role in reducing tension.

UNLESS "UNCLASSIFIED" REPRODUCTION FROM T COPY IS PROHIBITED.

DO NOT TYPE IN THIS SPACE AIR POUCH IDENTIAL HANDLING (Security Classification) 674.8421 FOREIGN SERVICE DESPATCH AMEMBASSY, JIDDA FROM TO APRIL 10, 1957 THE DEPARTMENT OF STATE, WASHINGTON. CONGEN DHAHRAN'S TEL 470, MAR 31, 1957 For Dept. Use Only OTHER TRANSMISSION OF THE ARABIC ORIGINAL OF KING SAUD'S LETTER OF MARCH 26, 1957 SUBJECT: TO PRESIDENT EISENHOWER 6 There is enclosed for the Department's records the Arabic original of King Recumed Saud's reply dated March 26, 1957 to President Eisenhower's letter of March 18, 1957 concerning the issues of Gaza and the Gulf of Aqaba. His Majesty gave the reply to Counselor of Embassy Alfred le S. Jenkins (then Charge) during an audience on March 30. An English translation of King Saud's letter was sent the Department by the referenced telegram. George Wadsworth Enclosure: Arabic text of King Saud's letter dated March 26, 1957 Transtach dew

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DEPARTMENT OF STATE

Memorandum of Conversation

CONFIDENTIAL

DATE: April 10, 1957

SUBJECT:

Swiss Interest in Middle East Matters'

PARTICIPANTS:

Mr. Henry de Torrente, Swiss Minister Mr. Claude Caillat, First Secretary,

Swiss Legation

NEA - William M. Rountree NE - Lewis Hoffacker

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The Swiss Minister called at his request to review recent developments in the Middle East.

Mr. Rountree referred to the Egyptian memorandum of March 26 which set forth the Egyptian Government's views on the Suez issue. Ambassador Hare that the brought to the attention of President Nasser and Foreign Minister Fawzi the United States position that the memorandum has three basic weaknesses: (1) since it is a unilateral declaration it fails to provide the means for a binding international obligation and therefore is susceptible to unilateral change or withdrawal; (2) it is not consistent with the six principles endorsed by the Security Council on October 13, 1956; and (3) it does not include a satisfactory organized relationship between Egypt and the users of the Canal. It is possible that within the next few days we may be in a better position to determine the usefulness of continuing these talks in Cairo.

Mr. Rountree made it clear that the United States Government does not purport to represent the users in these conversations since the United States has no mandate from them or from the United Nations. The conversations must therefore be regarded as strictly bilateral, although there has been consultation with some users as the occasion demanded. We are anxious that these talks not drag on indefinitely because the Canal has been physically opened and the United States does not wish to bear the responsibility for encouraging fruitless exchanges. It remains to be seen whether it might be practicable to refer the Suez issue once again to the Security Council.

CONFIDENTIAL FILL

In answer to the Minister's query, Mr. Rountree said that the Department has informed United States shipowners that hazards exist in the immediate approaches to the Canal. The Department has counseled prudence in the immediate use of the Canal but has not prescribed any prohibition on such use.

With regard to the Gulf of Aqaba, Mr. Rountree said, for the private information of the Minister, that the Saudi Arabian Ambassador had just called to reiterate the strong Saudi opposition to international freedom of transit in the Straits of Tiran. The United States has dealt frankly with the Saudis on this matter in explaining that we believe that the Straits have an international character. The United States Government was not advised concerning the U.S. tanker which recently transitted the Straits until it was actually in that area. Moreover, U.S. warships have for some time been making routine patrols in the Red Sea but were in no way involved in this strictly commercial voyage. The press has unfortunately given a different and erroneous impression.

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Mr. Rountree said that the United States had hoped for a de facto arrangement for UNEF in Gaza which would leave a substantially greater percentage of the civilian administration of the Strip in United Nations hands. Nevertheless, the UNEF does possess significant responsibilities in Gaza. The United States has received no confirmation of recent reports that Egyptian troops have entered Gaza. It is understood that the terms of reference for UNEF have been clarified and improved recently as a result of further exchanges between United Nations and Egyptian officials.

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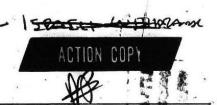
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INCOMING TELEGRAM

Department of State



58 Action

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Control: 7847 Rec'd:

April 11, 1957

7:05 p.m.

NEA Info RMR

FROM: Tel Aviv

TO:

Secretary of State

35 G SP

NO: 🛷 1192, April 11, 11 a.m.

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P UOP OLI

OCB AIRU CIA

OSD ARMY NAVY AIR

SENT DEPARTMENT 1192, REPEATED INFORMATION CAIRO 226.

Press yesterday reported GOI acceptance of UNEF proposal erect barbwire fence along demarcation line of Gaza strip. Initial comment was restricted to pointed reference to Israelis suggestion in 1955 for similar fence which was rejected by Egyptians.

HAARETZ (independent) today typifies generally lukewarm reaction to fence idea with statement "one should not pin too much hope on construction barbwire fence" which can only stop simple infiltration by shepherds, et cetera. Noting that at least numerous technical details still stand in way of project, HAMODIA (Agudat Israel) describes GOI acceptance as "not enthusiastic" since plan perpetuates hostile relations between Egypt and Israel

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Control: 8577 Rec'd:

FROM: CAIRO

APRIL 12, 1957

3:51 PM

Info RMR

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TO: Secretary of State

SS G

NO:

3207, APRIL 12, 3 PM

SENT DEPARTMENT 3207, REPEATED INFORMATION TEL AVIV 186,

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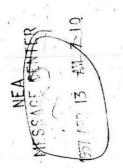
AIR NAVY JERUSALEM 54, JIDDA 261, AMMAN 228, USUN 183.

ASKED COMMENT CHARGE APPEARING LOCAL PRESS THAT ISRAELI TROOPS STILL STATIONED RAS EL NAKB AND BIR TABA AND HAD REJECTED UNEF REQUEST EVACUATE PENDING "FORTIFICATION AND DEVELOPMENT PORT OF ELATH", BURNS SAID INDONESIAN DETACHMENT STATIONED RAS EL NAKB AND TO BEST HIS KNOWLEDGE NO ISRAELIS REMAINED & EITHER POINT. HE PLANNED ASK GOHAR ORIGIN REPORT.

BURNS VOLUNTEERED GAZAS ECONOMY "HAD NEVER BEEN BUSIER": BORDER WAS QUIET. AGREEMENT HAD BEEN REACHED ERECT DOUBLE-APRON FENCE IN REGIONS ARMISTICE LINE WHERE CROSSINGS MOST FREQUENT. EVENTUALLY CONTINUOUS FENCE MIGHT BE POSSIBLE.

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	FOREIGN
FROM :	AMCONGENERA

NEA.4

4-23

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SERVICE DESPATCH

THE DEPARTMENT OF STATE, WASHINGTON.

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AL JERUSALEM

CIA-12 033.4 ARMY.4 NAUY-3 AIR.3 USIA

April 12, 1957

TO REF

ConGen Despatch 154, April 5, 1957

BEIRUT-1 CAIRO.

RM/R. 2 OLI-8 IO. 4 EUR. 5 P. 1 USUN-1

SUBJECT:

For Dept.

Use Only

Activities of the MAC's during the Period 23 March through 29 March 1957

Copies of the substantive parts of the weekly reports prepared by the Mixed Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 23 March through 29 March 1957 are enclosed.

American Consul General

Enclosure

Copy of Parts of MAC Weekly Reports for 23 March through 29 March 1957

Copies sent to Amman, Tel Aviv

Department pass copies to Beirut, Cairo, Damascus

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Pageof		Page 1 of
Desp. No	LIMITED OFFICIAL USE	Encl. No. 1
,	(Classification)	Desp. No. 156 From Jerusalem

COPY

The following is a summary of the activities of the Mixed Armistice Commissions for the period 23 March to 29 March 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Strip remains quiet as the population continue to settle back into the normal Strip routine.

The arrival of the UNEF has seen considerable increases in the general cost of living. Rents, imported supplies and articles, as well as some local food stuffs have gone up sharply in price. The UNEF have employed certain local labor, and competition to offer houses, flats and services to the Emergency Force is keen.

Local orange growers continue to export oranges and several small cargo ships and schooners visited Gaza during the week under review to discharge and load cargoes.

Mine accidents involving mainly locals and bedouins continue to occur with monotonous regularity. Large numbers of bedouins continue to graze their flocks in the Rafah and Khan Yunis regions, with apparent disregard for the mine fields and with disasterous results at times.

U.N. Observers' visited various areas in the Strip and along the demarcation line and the international frontier. On 27 March, an observer investigated with Yugoslav officers a mine accident in the vicinity of the international frontier.

The Senior Egyptian Delegate visited the MAC on several occasions.

The Gaza airstrip was used regularly by UNEF, UNTSO and UNRWA aircraft.

At the request of UNEF, observers prepared traces showing the distribution of incidents during 1955 and 1956 (in order to indicate which sections of the demarcation line have been used by infiltrators).

The Egyptian Delegation submitted 6 written complaints mainly confirming verbal complaints submitted during the preceding week and relating to incidents alleged to have occurred between 8 and 22 March: 1 complaint alleging crossing of the armistice demarcation line by Israelis and theft of a flock of sheep; 5 complaints alleging overflights of the Gaza Strip.

The Israeli Delegation submitted no complaint.

Outstanding complaints: Egypt-549; Israel-737; Total-1,286

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The outstations of Nablus, Hebron and Latrun on the Jordan side of the

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Page 2 of Encl. No. 1
Desp. No. 156

From_

Jerusalem

(Classification)

demarcation line continued to be manned by UNMOs.

A Sub-Committee meeting, held on 25 March, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

On 27 March, a sub-committee meeting was held, as scheduled, at Irtah Bridge. The Chairman, the Senior Jordanian Delegate and the local police commanders from both sides were present.

Complaints alleging overflying of the Jordan port of Aqaba by Israeli military aircraft have increased (1 for the period 1 January-18 March; 4 for the period 19-29 March). This alleged activity may be related to (a) preparations being made by the British to leave Aqaba; (b) reports that Saudi Arabian troops are in the area and will take over when British troops leave; (c) arrival of Danish freighter Brigitte Toft in Eilat on 25 March.

The Jordanian Delegation submitted 16 complaints: 2 complaints (investigated) alleging planting of a mine by people who had crossed into Jordan (in one case a tractor was damaged); 1 complaint alleging crossing of the demarcation line by a military unit; 1 complaint alleging firing across the demarcation line; 12 complaints alleging overflights. (No casualties.)

The Israeli Delegation submitted no complaint.

Outstanding complaints: HJK-1,334; Israel-350; Total-1.684

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSIONS

The period under review was quiet. No complaint was submitted by either side.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

Tension rose in the central sector of the demilitarized zone as a result of engineering work being carried out by the Israelis between Dardara and Khoury Farm. Several exchanges of fire were reported by the parties as having taken place almost nightly in this area (see UNTSO Sitreps for same period). No investigation was requested by either party.

The Israelis appeared to be building a road between Dardara and Khoury Farm along the south-eastern shore of Lake Houle probably on the reclaimed land resulting from the Huleh drainage project. The Syrian Delegation alleged that the Israelis were building a bridge across the Jordan River in the Demilitarized Zone opposite Khoury Farm.

An investigation of this last complaint was requested by the Syrian Delegation and the Chairman decided on an investigation on both sides of the Jordan (the two banks of the river are in the demilitarized zone). The Israeli Delegation refused to allow the U.N. observers to proceed in the central sector of the demilitarized zone and a first attempt at investigating from the Syrian side did

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Page 3 of Encl. No. 1

Desp. No. 156

From Jerusalem

not give satisfactory results, because of the difficulty of approaching the eastern bank of the Jordan. A second attempt made from the Syrian side to approach the eastern bank opposite Khoury Farm was stopped by armed Israeli border police, when the observers reached a distance of approximately 100 metres from the river, and the observers were informed by the police NCO in charge that they could advance no further. However, the observers were able to see some steel girders that looked like a bridging span on the west bank. They also observed some twenty labourers who were working on what appeared to be the approach of the proposed bridge.

The land on which the alleged bridging is being built is, according to the cadastral map of the area, Jewish-owned land. However, the Syrians maintain that the building of this bridge in the central sector of the demilitarized zone will result in a military advantage to the Israelis.

On 27 March, the Chairman spoke to the Senior Syrian Delegate concerning the exchanges of fire which had been taking place at Dardara during the last few days and requested him to look into this matter and do everything possible to refrain the Syrian positions opposite the settlement of Dardara. The Senior Syrian Delegate promised his full cooperation. Likewise, the Chairman sent a cable to the Senior Israeli Delegate, asking him for his cooperation in this matter.

On 28 March, the Chairman had a radio conversation with the senior Israeli Delegate, in which the latter requested to meet the Senior Syrian Delegate on the demarcation line, near the northern sector of the demilitarized zone, to discuss an alleged incident of ploughing of Israeli land by Syrians. The Chairman contacted the Syrian Delegate, who stated that he did not see the need for the meeting until after the complaint had been investigated by U.N. observers. The Senior Syrian Delegate stated, however, that if the Senior Israeli Delegate had any other matter to discuss, he was prepared to consider a meeting, provided the subjects to be discussed were made known to him in advance. The Chairman relayed this message to the Senior Israeli Delegate, who made no comments.

During the same radio conversation between the Chairman and the Senior Israeli Delegate, the Chairman explained to the Senior Israeli Delegate that it would contribute to the easing of tension at Khoury Farm and Dardara if the intentions of the Israelis concerning the work that they were carrying out in that area, were made known to the Chairman. The Senior Israeli Delegate commented that the work was unimportant and inoffensive, that, in any case, it had been discussed between Mr. Tekoah and the Chief of Staff, UNTSO, and that the latter would probably inform the Chairman.

The work on the site of the Jordan River Project in the demilitarized zone remains halted. The progress outside the demilitarized zone is still slow.

The Syrian Delegation submitted 6 written complaints: 1 complaint alleging an overflight; 1 complaint alleging the Israelis were building fortifications at Khoury Farm and a bridge across the Jordan, in the central sector of the

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demilitarized zone - this was	s the only complaint for	which an inve	stigation was
requested - (see above); 4 co	omplaints alleging firin	g incidents.	(No casualties.
The Israeli Delegation s	submitted no complaint.		
Outstanding complaints:	Israel-697: Syria-776:	Tot.al-1.473	
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CONFIDENTIAL

Office Memorandum · UNITED STATES GOVERNMENT

ro : NEA - William H. Rountree

DATE: April 16, 1957

FROM .

NE - Fraser Wilkins

SUBJECT: Ambassador Eban's Call on You, Wednesday, April 17, 11:30 A.M.

Discussion

The Israel Embassy informs us that Mr. Eban wishes to take up three matters:

- 1) economic aid;
- 2) the Suez Canal;
- 3) the Richards Mission.

On the <u>Suez Canal</u>, Mr. Eban may refer to the discussion between the Counselor of the Israel Embassy and myself on April 12 and to the Israel Embassy's note of the same day (attached). In the note the Israelis point out the importance which they attach to Israel's right of transit through the Suez Canal and seek to make the point that United States support for this Israel right was a major factor in the discussions which led to Israel's withdrawal from Gaza and Sharm el Sheikh. Mr. Eban may reiterate his well-known view that the West has erred in playing its cards with Nasser while permitting him to hold his. He may urge that the West make a final attempt to bring Nasser to terms either in the Security Council or elsewhere by indicating that the Suez Canal will not be used unless all Six Principles, including Israel's right of transit, are fully implemented.

On the <u>Richards Mission</u>, there have been indications in the telegrams from Tel Aviv that Israel is much interested in obtaining additional funds under the American Doctrine and will make a considerable effort to achieve this objective. Mr. Teddy Kollek, Director General of the Prime Minister's Office, is presently in the United States seeking guidance as to how Israel can best handle the Richards Mission. Members of the Israel Embassy have advised us that, given the most hopeful expectations of normal United States Government aid, UJA contributions, and sales of Israel bonds, Israel must still face a shortfall of around \$30 million in the early autumn of 1957. They attribute this primarily to the expected influx of 100,000 new immigrants during this year. Mr. Eban will doubtless seek to persuade us (a) that failure of the Richards Mission to give any financial assistance to Israel would be discrimination against Israel and (b) additional United States aid to Israel would strengthen anti-Communist forces in the country and in the area.

Recommendations

That you make the following points to Ambassador Eban:

1. Economic Aid: We understand that ICA is now proceeding with the arrangements necessary for the resumption of technical and development assistance

CONFIDENTIAL

at the levels previously made known to the Government of Israel. While the present P.L. 480 authorization has been almost completely exhausted, and we are unable to provide Israel with assistance from it, we are hoping that Congress will shortly complete action on a new authorization. We have received the Israel Government's request for a P.L. 480 Program covering the next two years and will be in a position to discuss it in detail with the Israelis once the new legislative authorization has been forthcoming. We have informed the Export-Import Bank that there are no security reasons for deferring the despatch of a Technical Mission to Israel.

- 2. Suez Canal: The conversations with Egypt in which we have been engaged for some weeks in close consultation with the Secretary General and with those of our Western allies who are the principal users of the Canal, have reached a stage where we feel a report should be made to the Security Council, so that other Canal users may express their views. With reference to the Ambassador's note of April 12, we can assure the Israelis that we continue to adhere to all of the Six Principles. We are still very much of the opinion that this is a problem to be handled through negotiation and, as appropriate, United Nations action.
- 3. Richards Mission: According to our information, Mr. Richards and his group plan to arrive in Israel in early May. They will, of course, listen with great interest to the presentation which the Israel Government plans to make. We feel that the extension of the American Doctrine to Israel will in itself mark a significant milestone in our relations. We recall statements made by Mr. Eban in the course of the winter drawing our attention to Israel's need for protection against threats emanating from the USSR. Mr. Richards will probably feel impelled to consider Israel requests for financial assistance under the American Doctrine in the light of the following factors:
- a) The United States Government has contributed substantially to the economic development of Israel over the past several years at a rate which was determined, among other things, by our belief that Israel must achieve a position of relative independence from outside assistance.
- b) The fact that other countries of the area do not enjoy the economic strength which Israel has displayed and that they face problems arising from the threat of international Communism, e.g. in the field of public security, which Israel has already surmounted.

Attachment:

Israel Embassy Note and Memorandum of Conversation, April 12, 1957

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: 4

April 12, 1957

SUBJECT:

_uez Canal

PARTICIPANTS:

Yohanan Meros, Counselor, Embassy of Israel Colonel Katriel P. Salmon, Military, Maval, and Air Attache, Embassy of Israel

ME - Freser Wilkins

W. - Michard B. Parker

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S/S(2cc), G, W, C, IC, EUR, USUN, Tel Aviv, Cairo, NEA(cc), NE(2cc)

GPO 903504

Mr. Meros presented to Mr. Wilkins a note from the Israel
Ambassador to the Secretary regarding the question of free navigation in the Susz Canal. The note refers to the Fresident's
Press Conference of April 3 and states that Ambassador Eban has
been instructed "to make certain comments with the aim of confirming
the harmony which has always existed between the policies of the
two Governments on the question of free navigation in the Susz
Canal".

Mr. Meros said that the note starts from the assumption that there is really no difference in the basic views of the United States and Israel regarding Suez but that perhaps there are differences in emphasis. Mr. Wilkins noted that there was some difference in fact between the status of the Straits and the status of the Canal. There was a Security Council decision regarding Sues. There had not been one with regard to the Straits of Tiran. He thanked Mr. Heros for the note and promised that it would receive careful attention.

to pay tolls direct to Egypt. He warned that once this was done the Egyptian blocked account would lose effectiveness as a negotiating

lover.

COMPIDENTIAL

lever. If the Egyptians can get cash for their tolls, they probably will be content to leave the Sterling balances in Britain as "a good claim" with which to belavor the British in subsequent negotiations. He noted that the Egyptians had in the past withdrawn from the Sterling balances at the rate of approximately 10 million pounds per year. At the same time, they had not been getting their Canal revenues in cash and if they now obtained cash for Canal tolls, they would be just as well off financially as they were when they were able to draw from the Sterling balances.

NEATNETEBParkertalb 4/16/57

COMPIDENTIAL

The Ambassador of Israel presents his compliments
to the Honorable the Secretary of State and has the honor
to refer to the question of free navigation in the Suez Canal.

The Government of Israel has studied the following observations made by the President of the United States of America at a conference with representatives of the Press on April 3, 1957:-

"I think that any mention of the canal was in different terms than it was - than the terms that were used with respect to the Gulf of Aqaba and the Gasa Stripp and in my correspondence with Mr. Ben-Gurion, there has been - he did not even mention the canal difficulty as one of the assurances he would need before he could withdraw any troops.

"Now, I did say this: We should not assume that Egypt will violate the 1888 Convention, but the only excuse they have, as I see it, is their claims to belligerency. Exactly how that is to be, that point is to be settled, I don't know. They are claiming that their belligerent rights allow them to stop the transit of vessels in the canal, but where we did say we would use our full offices, good offices, to secure a proper respect for Israel rights, was in the Gulf of Aqaba and in the Gasa Strip."

The Ambassador is instructed to make certain comments with the aim of confirming the harmony which has always existed between the policies of the two Governments on the question of free navigation in the Sues Canal.

1. In the discussions between the Governments of the United States and of Israel before the withdrawal of forces

from Sharm-el-Sheikh and Gaza, Israel's rights in the Sues Canal were frequently mentioned, notably on February 24, 1957. On these occasions the Ambassador stressed Israel's right to use this international waterway; and the Secretary of State reaffirmed the. fidelity of the United States to the policy of the United Mations as laid down in the Security Council Resolutions of September 1, 1951 and October 13, 1956. Moreover, the Secretary of State emphasised, as a matter of general policy, that after Israel's withdrawal greater vigilance and care would be devoted by the international community to the precise observance of international law in the Middle East, and that injustices, such as that involved in non-compliance with the 1951 Resolution, should not be allowed to linger without serious attempts at peaceful redress.

In the same spirit, President Eisenhower stated publicly on February 20, 1957:

"Egypt ignored the United Nations in exercising belligerent rights in relation to Israeli shipping in the Sues Canal and in the Gulf of Aqaba....
We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Sues Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the Armistice Agreement or other international obligations, then this should be dealt with firmly by the society of nations."

In her address to the General Assembly on March 1, 1957, the Israel Minister for Foreign Affairs in announcing the -3-

withdrawal of forces quoted this statement by President Eisenhower and went on to say:

"This declaration has weighed heavily with my Government in determining its action today."

This reference to the Sues Canal in Mrs. Meir's speech had been the subject of comment at a meeting between the Secretary of State and the Ambassador on February 28, and the advisability of its retention had been mutually understood.

On March 1, Ambassador Henry Cabot Lodge Jr., addressing the General Assembly of the United Nations on behalf of the United States said:

"Once Israel has completed its withdrawal in accordance with the resolutions of the General Assembly, and in view of the measures taken by the United Nations to deal with the situation, there is no basis for either party to the armistice agreement to assert or exercise any belligerent rights."

In view of the interpretation given in some quarters to the President's remarks, the Ambassador has thought it appropriate to set down these recollections of the language and spirit in which the problems of belligerency and of the Sues restrictions figured in the discussions preceding Israel's withdrawal. It is presumed that the non-inclusion of this matter in the recent correspondence between the President and the Prime Minister does not change the substance

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of the American and Israeli policies on the Sues Canal, and does not indicate a lack of importance or urgency in securing compliance with the decisions of the Security Council.

2. Apart from the above historical context, it is the understanding of the Government of Israel that the United States stands for compliance with the Security Council Resolution of September 1951 and does not consider that Egypt can, in the light of that Resolution, legitimately claim the exercise of belligerent rights. It is recalled that the Secretary of State has publicly pointed out that the Security Council has found Egypt's restrictions on Israel-bound shipping to be contrary to the 1888 Convention.

The Israel Government does not doubt that these policies and attitudes still command the adherence of the U.S.A.; and confidently hopes that the U.S.A., in any efforts which it makes to solve the Sues problem, will attempt to ensure universality, equality and non-discrimination in the use of the Canal for all States, including Israel.

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11279 APRIL 17, 995

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FROM: PARIS

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RMR

TO: Secretary of State

NO:

5341. APRIL 17

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SENT DEPARTMENT 5341, REPEATED INFORMATION TEL AVIV 92, CALRO

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HUMANITE TODAY GAVE FRONT-PAGE TREATMENT TO REPORT FRENCH AND ISRAELIS PREPARING NEW WAR AGAINST EGYPT, ESTABLISHING PRETEXT BY SENDING ISRAELI SHIP TO CANAL APRIL 24, REPORT CHARGES PLAN HAS US SUPPORT.

OCB USIA CIA OSD ARMY NAVY

AIR

MOLLET HAS ISSUED CATEGORICAL DENIAL OF REPORT, AND HAS LABELLED IT "SHAMELESS PROVOCATION WHICH WILL AROUSE INDIGNATION OF ALL".

TEXT HUMANITE REPORT. WHICH IN CONDITIONAL TENSE AN LARGELY IN QUESTION FORM, FOLLOWS:

"WILL FRANCE FIND ITSELF DRAGGED INTO NEW WAR AGAINST EGYPT BY END OF MONTH? THIS QUESTION PERMISSIBLE SINCE AGGRESSION PLANS STILL BEING WORKED OUT.

"IS IT TRUE THAT BY FRANCO_ISRAEL! SECRET MILITARY ALLIANCE OPERATION JAGUAR HAS BEEN ELABORATED BY CLOSEST COLLABORATORS OF NATIONAL DEFENSE MINISTER BOURGES_MAUNOURY? IS IT TRUE PLAN. WHICH WOULD BE PUT IN EFFECT APRIL 24 PROVIDES FOLLOWING OPERATIONS &

- "1) SENDING OF ISRAELI SHIP FOLLOWED BY FRENCH SHIP INTO SUEZ CANAL. FORMER SHIP WOULD TRY TRANSIT CANAL WITH OUT ADVANCE NOTICE, IN ORDER PROVOKE SHARP REACTION BY EGYPTIAN AUTHORITIES:
- "2) INCIDENT WOULD BE DECLARED VERY SERIOUS, SIMULTANEOUSLY IN PARIS AND TEL-AVIV. IT WOULD BE ANNOUNCED THAT IT WAS CASE OF AGGRESSION. ORDER WOULD BE GIVEN TO ISREALI TROOPS TO CROSS DEMARCATION LINE AND INVADE EGYPTIAN TERRITORY;

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-2- 5341, APRIL 17, 1957 FROM PARIS

"3) UNITS OF FRENCH AIR FORCE, PREVIOUSLY CONCENTRATED IN ISRAEL, WOULD TAKE AIR TO SUPPORT AGGRESSION ON GROUND.

"IS IT ALSO TRUE THIS PLAN WAS SUBJECT OF APPROACH BY BOURGES MAUNOURY TO CHARGE DIAFFAIRES OF US IN PARIS? FRENCH MINISTER REPORTEDLY ASKED AMERICAN DIPLOMAT TO INTERVENE WITH HIS GOVT IN ORDER NO HINDRANCE BE MADE TO OPERATION JAGUAR.

"ANSWER RECEIVED BY MINISTER WAS REPORTEDLY POSITIVE. WASHINGTON REPORTEDLY INDICATED EVEN THAT FRENCH AND ISRAELI GOVTS COULD PUT THEIR PLAN INTO EFFECT WITHOUT TAKING INTO CONSIDERATION SUBSEQUENT DISAGREEMENTS AND OBJECTIONS OF BRITISH LEADERS.

"WILL GOVT, A SECOND TIME, RISK SETTING FIRE AND BLOOD NOT ONLY TO EGYPT BUT PERHAPS TO WHOLE MIDDLE EAST, WITH RISKS THAT WOULD ENTAIL FOR WORLD PEACE?

HUMANITE ARTICLE APPEARS LARGELY REHASH FRENCE-OBSERVATEUR ARTICLE MARCH 21 (EMBTEL 4857 MARCH 21) WITH ADDITION RE-PORTED PLAN SEND ISREALI SHIP THROUGH CANAL APRIL 24, AND REVERSAL OF US REACTION IN ORDER CONFORM TO COMMUNIST PROPAGANDA PICTURE OF US ROLE ME.

HOUGHTON

JS

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Department of State

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FROM: PARIS

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TO: Secretary of State

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11443 APRIL 17,

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SENT DEPARTMENT 5343, REPEATED INFORMATION TEL AVIV 93,

RE EMBTEL 5341, APRIL 17.

5343. APRIL 17

DEFENSE MINISTRY TODAY ISSUED COMMUNIQUE STATING _ HUMANITE-"REPORTED ALLEGED PREPARATION OF FRENCH ARMY FOR SUPPORT OF ISRAELI TROOPS IN FUTURE OPERATION AGAINST EGYPT. ASSERTIONS BEING VOID OF ALL FOUNDATION, MIN NATL DEF HAS DECIDED PROSECUTE THIS DAILY FOR SPREADING FALSE NEWS".

HOUGHTON

JS

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In reply refer to MEA : NE

Dear Senator Smith:

I refer to your letter of April 18, 1957, which transmitted a letter from Mr. Ralph Martin Shaw, Jr., regarding United States policy in the Middle East.

Our pelicy in the Middle East has been directed toward facilitating conditions of peace and stability in this vital area. We have fully supported the efforts of the United Nations for the peaceful settlement of disputes in accordance with the principles of justice and international law. One such United Matiens affort brought size the peaceful withdrawal of hestile troops from Exptian territory and the Gena strip. In this connection, we could not and did not "guarentee the neutrality" of the Gaza Strip or the Gulf of Acabe. We did, however, give Israel certain assurances as to our position regarding Case and the Gulf.

All of these assurences have been made public. Their most concise expression is in our Aide Memeire of February 11, a copy of which is employed. In brief, we stated with regard to the Gasa Strip that we did not believe the United Nations could require medification of the Armistics Agreement, which gave Egypt the right and responsibility of competion of the Strip. However, we recognised that Gasa had been a source of armed infiltration and stated that we believed the United Bations Burrgency Force should abve into the Strip and station itself along the boundary with Israel. It is worth noting that following the Israel withdrawal

The Honorable H. Alexander Smith, United States Senate.

DC/R

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These policies guided United States action in the crisis arising from the Israel invasion of Egypt last fall and the subsequent British-French intervention. After the outbreak of hostilities, a White House statement referred to the Tripartite Declaration and stated that the United States would honor its pledge. We then took action both within the United Nations and elsewhere designed to bring about a cessation of hostilities and a withdrawal of hostile forces. Adherence to the principles of the Tripartite Declaration remains a valid element of United States policy.

Mr. Shaw asks if the American Doctrine guarantees the inviolability of boundary lines against enemy raids. We presume that by raids Mr. Shaw means small scale, hostile actions across the Arab-Israel borders. The United Nations Truce Supervisory Organization is the body primarily concerned with this particular matter. As noted above, the Doctrine is not directed at the Arab-Israel conflict and it would not serve to prevent such raids. It seems to us that the only positive method of preventing such incidents is a definitive settlement of the Arab-Israel dispute. We hope that real progress toward this end can now be made. The contributions which we are prepared to make toward achieving such a settlement were set forth by the Secretary in his speech of August 26, 1955, a copy of which is enclosed. This speech remains a valid expression of United States policy.

Mr. Shaw's letter to you is returned herewith.

Sincerely yours,

Robert C. Hill Assistant Secretary

Enclosures:

1. Copy of Aids Messaire of February 11, 1957.

Copy of Tripartite Declaration of May 25, 1950.
 Copy of Secretary's speech of August 26, 1955.

4. Letter to Senator Smith from Mr. Ralph Shaw, Jr., April 4, 1957.

AND REPARKET: mlb - 4/30/57

W. FULBRIGHT, ARK.

ALEXANDER WILEY, WIS. H. ALEXANDER SMITH, N. BOURKE B. HICKENLOOPER WILLIAM LANGER, N. DAK

United States Senate

COMMITTEE ON FOREIGN RELATIONS



April 18, 1957

Dear Bob:

I am enclosing herewith a letter dated April 4th which I have received from a constituent of mine, Mr. Ralph Martin Shaw, Jr. of Beverly, New Jersey.

Any information which you could send to me and which I might send on to my correspondent would be appreciated. I would like to have Mr. Shaw's letter returned to me when it has served its purpose with you.

With kindest personal regards, I remain

Always cordially yours,

H. allueaudu

Mr. Robert Hill, Assistant Secretary for Congressional Relations Department of State Washington 25, D. C.

HAS: WV enc.

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This letter (and its enclosures, if any) microfilmed for RM/R records

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CONFIDENT'

Control: 14770

APRIL 23.

9:03 PM

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TO:

FROM: NEW YORK

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RMR SS

820, APRIL 23, 8 PM NO:

Secretary of State

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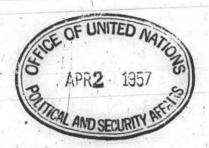
LALL (INDIA) TOLD US TODAY THAT PROBLEM OF CROSSINGS OF DE-MARCATION LINE IN GAZA HAD BEEN DISCUSSED IN SYG'S ADVISORY MEETING THIS MORNING. BURNS HAD REPORTED THAT THERE WAS NO SIGN OF FEDAYEEN ACTIVITIES AND THERE WAS NO REAL PROBLEM AT PRESENT. HOWEVER, ISRAELIS ENGAGED IN SYSTEMATIC EFFORT DIS-CREDIT UNEF.

LALL SAID SYG HAD INFORMED THEM OF HIS PERSONAL LETTER TO BEN GURION (SEE USUN 811) WHICH WAS PART OF EFFORT TO CARRY OUT HIS ROLE IN SECOND RESOLUTION OF FEBRUARY 2. LALL EXPECTED BEN GURION WOULD NOT WANT TO SEE SYG.

LALL SAID HE HOPED THAT MORE PROGRESS COULD BE MADE! IN AREA BEFORE SITUATION DETERIORATED AND PURPOSE HIS CALL WAS TO PUT FORWARD SUGGESTION THAT THIS MIGHT BE APPROPRIATE TIME FOR US TO APPROACH ISRAELIS TO ENCOURAGE BEN GURION TO ISSUE INVITATION TO SYG. WE REPLIED THAT US HAD TAKEN CLEAR STAND ON DEPLOYMENT UNEF ON BOTH SIDES DEMARCATION LINE AND THAT WE WOULD REFER HIS SUGGESTION TO DEPARTMENT FOR CONSIDERATION.

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CONFIDENTIA

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: April 25, 1957

SUBJECT:

Situation in Gaza; Suez Canal; Aqaba

PARTICIPANTS:

Dr. Victor Khouri, Lebanese Ambassador

NEA - William M. Rountree NE - Edward L. Waggoner

COPIES TO:

NE(3cc) NEA(2cc) OLI(2cc) Amembassy BEIRUT

On the occasion of his call to discuss with Mr. Rountree the situation in Jordan, the Lebanese Ambassador, Dr. Khouri, also inquired concerning the situation in Gaza, the Suez Canal, and the U.S. position on the Gulf of Aqaba.

Gaza. Dr. Khouri asked whether we were satisfied with the situation in Gaza. Mr. Rountree said he would not say that we were satisfied, but that the situation was about what it had been expected to be following Israeli withdrawal. The danger of the situation's erupting in hostilities was minimized so long as the UNEF remained in Gaza. There was always the possibility of infiltration which could give rise to great problems. Likewise, the situation would be serious were UNEF asked to leave Gaza.

Suez Canal. Dr. Khouri asked whether we were satisfied with the Egyptian statement on the Suez Canal. Mr. Rountree said that we were not satisfied and that our attitude in that regard would shortly be made known in the Security Council. We had held long discussions with the Egyptians with a view to seeking a solution consistent with the Six Principles. The Egyptian statement fell considerably short of C compliance with the Six Principles. Our efforts in these discussions had achieved only a minor degree of success. Inastuch as we had had these discussions and the Egyptians had issued a unilar ral statement, we believed that the US should propose that the matter returned to

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the Security Council for a report to the other members of the Council. Dr. Khouri asked what the US position would be if Egypt refused to change its position as set forth in the Egyptian Declaration. Mr. Rountree said that it was not possible at the moment to say what the US position would be in those circumstances.

Agaba. Dr. Khouri asked whether the US continued to hold the same position on the Straits of Tiran and Gulf of Aqaba. Mr. Rountree said that since our position was one which was based on principle and international law, it could not fluctuate from day to day. We had stated our legal position and our intention of permitting US vessels to use the Straits. We had also taken the position that we would abide by any decision taken in this matter by the International Court of Justice or a similarly qualified body. Dr. Khouri suggested that it would be better for all concerned for political reasons if the Israelis were to desist from testing their rights in the Straits and the Gulf at this time. Mr. Rountree said that it might perhaps be easier were the Israelis to desist at this time, but that the US could not shift from a position of principle to one of expediency. As a matter of principle, the US could not take a position in this connection which was contrary to our interpretation of international law and of international practice.

NEA: NE: ELWaggoner: cdt 4/26/57

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File Designation	683.84A/5857
*	Memo
Date	8 May 57
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то	Berry
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available for examination	n. The item identified above has been withdraw
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	the state of the s
	Security-Classified Information
	Otherwise Restricted Information
	4-

STATE Authority 1/5/89 Date In reply refer to MEA:ME

May 8 1957

REGISTERED

Dear Mr. Sprague:

838672

I refer to your letter of April 2, 1957, enclosing a plan for Egyptian-Israeli repprochement through the establishment of an international trade route along the Israel-Egypt frontier.

We greatly appreciate your having made available to the Department these views as to a possible course to be followed with respect to a principal problem in the Middle Rest situation. As you know, the complexities of the political and psychological feators are such that many plans and programs which we have considered soundly conseived have not been possible to implement. We must, however, continue to employe all avenues, and we greatly appreciate your making available to us this suggestion.

Sincerely,

William M. Roumtree Assistant Secretary

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The Homorable Mensfield D. Sprague, Assistant Secretary of Defense (ISA).

515-CR V 7 1957 P.M.

CONTRACTION OF THE

HEA:HE:LHOCTooker

674.844/5-857

In reply refer to SEV 67:4.84A/5-857

May 28 1957

Dear Segator Petter:

674.8421

I refer to your communication of May 8, 1957, acknowledged by telephone on May 10, enclosing a copy of a letter and a statement outitled "Israel - Egyptian Peace Talks" from Rabbi Occar Floishaber of Grand Rapide, Elchigan.

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Sincerely years,

Academic Secretary

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Dear Senator Potter:

I refer to your communication of May 8, 1957, acknowledged by telephone on May 10, enclosing a copy of a letter and a statement entitled ?Israel - Egyptian Peace Talks" from Rabbi Occar Fleishaker of Grand Rapids, Michigan.

est of direct megatiations greged the establish reen Israel and the Arab States in order to achieve a permanent pouce in the Middle East. On August 26, 1955 Secretary Dulles outlined specific steps that the United States was willing to take to aid in the settlement of the Arab-Israel dispute.
This propertal still offices,
The copy of Robot Floisbaker's letter and

statement is returned as you requested.

Simperely yours,

Robert C. Mill Assistant Socretary

iomereble Charles E. Potter,

Charel by phene - 5/20/57

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DATE	FILED		No	
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5/8/57 SUBJECT	• · · · · · · · · · · · · · · · · · · ·	aker(Israe	l Egypt question)	

May 8, 1957

Respectfully referred to

Assistant Secretary of State for Congressional Relations Department of State Washington 25, D. C.

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

CHARLES E. POTTER, U. S. S.

JUN 5 1957

DC/RO Anal 6

This letter (and its enclosures, if any) micro-Calmed for RM/R records

329607

INCOMING TELEGRAM

NO:

Department of State

ACTION COPY

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Action NEA

FROM: Tel Aviv

Info RMR

TO: Secretary of State

SST

1311, May 9, 4 p.m.

G SP C

SENT DEPARTMENT 1311, REPEATED INFORMATION CAIRO 256, LONDON 273, PARIS 231, ROME 117

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UOP OLI OCB

USIA CIA OSD ARMY NAVY

AIR

Brief account in JERUSALEM POST May 8 of meeting Israel-France friendship league May 7 indicates former French Minister of Aviation Diomede Catroux now visiting Israel, delivered himself of inordinate praise for Israel and chauvinistic personal attack on President Eisenhower. He reportedly asserted Europe's only chance for survival is unity with ecgotkffit* post-Israel-and declared it now obvious to everyone Europe could not survive if Israel disappeared. He warned against dependence on US, saying that US had done little to help Hungarian Freedom Fighters since US interest lies with NATO rather than with Europe as such. evident arefl* attack on President, he deplored absence of leadership in Western world today, except in Israel, and was quoted saying "world in pshe* by moribund general".

Hebrew Press carried similar version of meeting of meeting but failed to report Catroux attack on President, although wire services verified his having made it. Also present at meeting were Pierre Bloch, former French Minister of Interior, Director General Peres of Israel Defense Ministry, and French Ambassador Gilbert. Latter's expression of views similar to those expressed by Catroux were previously reported in EMBTEL 971.

LAWSON

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Rec'd: May 10, 195

2:31 a.m.

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*As received. Correction to follow

Correction

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Department of State INCOMING TELEGRAM

31 Action

NEA

RMR

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CORRECTION ISSUED: 5/10/57 3:30 p.m. SW

Control: Rec'd:

6025

May 10, 1957

2:31 a.m.

ROM: Tel Aviv - CORRECTED COPY Info

Secretary of State

NO: 1311, May 9, 4 p.m.

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SENT DEPARTMENT 1311, REPEATED INFORMATION CAIRO 256, LONDON 273, PARIS 231, ROME 117.

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AIR

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LAWSON

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OUTGOING TELEGRAM

INDICATE: COLLECT

Department of State

CONFIDENTIAL Classification

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SENT TO: USUN - NEW YORK

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In course of conversation between British Embassy representative and Rountree, subject of General Burns fence along Gaza border was raised. British Embassy representative expressed view such fence would be desirable. In view of possible future conversations on subject of Gaza border situation, USUN requested ascertain discreetly from Secretariat status Burns fence plan together with technical and financial problems which there arisen or may arise. UNP Ware Adams CONFIDENTIAL

Classification

SECRET

DEPARTMENT OF STATE

Memorandum of Conversation

CENTRAL

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SUBJECT:

Israeli Proposal Regarding Gaza

Mr. Coulson, Minister, British Embassy

Mr. Bailey, British Embassy

PARTICIPANTS:

Mr. Franklyn Williams, British Embassy

Mr. William M. Rountree, NEA

Mr. Elbert Mathews, S/P

Mr. Edwin Moline, RA

Mr. David D, Newsom, NE

COPIES TO:

NEA(2cc), NE(3cc), BNA(1cc), L(1cc), UNP(1cc)

Mr. Rountree noted that the British had passed on certain suggestions put forward by the Israeli Minister in London regarding the Gaza Strip and had asked for comments. Mr. Rountree reviewed the Israeli proposals and the British position.

Mr. Rountree then commented that some time had elapsed since the suggestions made by the Israeli Minister. During that time, he said, the United States had developed greater confidence in the possibility of 90 perpetuating the present situation in Gaza, including the presence of the UNEF. He said the Department believed the present situation was in Egypt's interest and that it was unlikely that Egypt would create a situation by compelling the UNEF to withdraw. He commented that the present situation in Gaza was not too different from that which the United States felt would come about upon the Israeli withdrawal. Mr. Rountree said Egypt was aware of the sensitiveness of the contributors to the UNEF and of the limits to which the Secretary General could go in tolerating obstructionism. He said Egypt appeared currently willing to let the matter of the UNEF rest.

Mr. Coulson noted that the Israelis had not been pressing for an answer on their paper.

Mr. Rountree referred to the suggestion of a fence. He then commented that there had been a period of quiescence since the question of a fence had

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GPO 912677

first been raised. In general, he said, the United States believed that
the fence between Gaza and Israel was a good idea, as was any idea tending
to promote stability and reduce incidents. He said the United States also
favored the stationing of units of the UNDF in Israel, but Israel would not
agree to this. He said there seemed to be no further agitation against the
fence or for it and suggested that the matter might be becoming inactive.

Mr. Bergus was called to the meeting and reported that a recent telegram from the UNTSO cast doubt on the effectiveness of the reported agreement that a fence be erected. Mr. Rountree said that he felt the Department should get a further report from General Burns on the situation. It was agreed that the Department would do this.

Note: In response to an inquiry sent to USUN, Cordier reported (USUN's 920) that the fence was a dormant issue at present. This information was passed on to Ronald Bailey on May 15, 1957.

NEA:NE:DDNewsom:apg 5/16/57

SECRET

INCOMING TELEGRAM

Department of State

37-39 Action

NEA

Info

RMR

SECRET

Control:

Rec'd:

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May 12, 1957

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2:12 a.m.

FROM: Tel Aviv

TO: Secretary of State

1317, May 11, 3 p.m.

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SENT DEPARTMENT 1317; REPEATED INFORMATION LONDON 276, PARIS 232, USUN 104.

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Foreign Ministry official informed Embassy that Hammarskjold's conversations with GOI May 9-10 were based on understanding reached at outset that neither side would expect discussions to achieve agreed position on such controversial issues as posting UNEF on both sides frontiers or resuscitation Israeli-Egyptian general USIA armistice agreement. This was realistic, he said, because talks revealed at outset little progress was possible on these and other critical questions. ARMY NAVY

Stated Israel delegation felt talks had established somewhat sounder basis of personal relationship between GOI, particularly Ben-Gurion, and Hammarskjold. It was by no means relationship of mutual trust and cordiality but one in which both principals understood each other better and had improved appreciation of limits within which they might work without conflict.

He felt as well that tenuous, not clearly defined understanding had been achieved, principally at Hammarskjold's behest, that both Arabs, Israelis engage their concentration on points in both Arabs, Israelis engage their concentration of the dispute between them and with Arabs on SYG's assumption, not fully shared by Israelis, that there was some gradual improvement in general climate which might be destroyed if either side pushed too vigorously.

Negative success was fact Ben-Gurion and SYG avoided personal quarrel which former's delegation feared might break out in view of Ben-Gurion's wrath with SYG which has been rising for many

In-Gurion and Hammarskjold talked privately Thursday afternoon reach understanding outlined first paragraph above, then went on to general discussion Israel-Egypt UN relations which were

continued and expanded at meeting of full delegations later
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-2- 1317, May 11, 3 p.m. from Tel A

in afternoon.

SYG expressed his dissatisfaction with Israel repudiation of GAA to which Israelis made usual reply that it was honored by Egyptians mainly UN breach. GOI based its position on Charter and felt SYG should support its demands that Egyptian coaims of state of war were violation of Charter which SYG should bring to Egyptian attention with same vigor he used in expressing dissatisfaction with Israelis. He should make UN views on subject known to world as well. According to Foreign Ministry official, SYG replied he understood this viewpoint and had said so to Egyptians. Israelis asked him why he had not made his understanding of viewpoint publicly known. It was not enough merely to tell it privately to Egyptians.

SYG said he was rather hopeful of trends by Arab world. Sinai campaign had demonstrated decisively to Arabs that Israel was on Middle Eastern map to stay. Another lessen they had learned was that conflict there could mean world war which he did not think they want. Two lessons were complementary. Ben-Gurion argued, however, that Arabs were completely unpredictable and with Russian backing might decide to play with fire, and he wanted to know what UN would do if circumstances of Sinai were reversed and it was Arabs who attacked Israel. Would UN and world react as swiftly and effectively as they did against Israel?

SYG had talked in hopeful terms of Jordan but Israelis had replied no improvement in Hussein's control could be considered solid as long as Arab refugees existed on west bank as ready tool of his worse political enemies. SYG agreed refugee question seemed major issue. Frime Minister advanced Johnston plan as something that could break back of problem. GOI was ready to go ahead at any time but Arabs were not willing to budge. In fact, Arabs want refugees in order to have Their grievances to exploit to Israelia disadvantage. They then discussed refugee question in context of Palestinian political unrest in quiet, cordial terms. There were big differences in their respective evaluations of problem but both delegations believed they had same goals. Israelis were pleased he made no demands on repatriation.

Second day's conferences were less cordial and there were several very acrimonious exchanges on well-worn lines. Israelis had recited long list of grievances including:

(1) SYG's acquiescence in Egyptian return to Caza without advance assurances from Nasser that he understood his obligation under GAA;

(2) His failure

-3- 1317, May 11, 3 p.m. from Tel Avi

- (2) His failure to support Israel's right to transit of Suez Canal, and
- (3) His failure to remonstrate with Egyptians on their insistence on rights of belligerence.

SYG had vigorously criticized Israel's rejection of GAA and its refusal to permit posting of UNEF troops on both sides of frontier. Israelis reminded him they were willing to have continuous barrier around Gaza Strip but Egyptians refused. Bunche said Egyptians had agreed to partial fence which he described as new idea. Israelis pointed out they had also suggested partial fence two years ago and volunteered to cooperate on this project if Egyptians agreed. This had led to inconclusive discussion of role of Canadian surveyor reportedly on his way to survey demarcation line.

SYG made vigorous complaint about Israeli boycott of Jordanian MAC and UNTSO instruments. Israelis countered by citing what they described as increasingly effective use of sub-committees of MAC. Practical problems which could be advanced were being worked on by sub-committees, and it was only from MAC investigations and meetings that Israelis had withdrawn participation because of well-established futility these institutions.

Embassy is attempting to check unconfirmed report that French Ambassador Gilbert reported to his government that Hammarskjold was inflexible on every issue and talks were complete failure. Gilbert was one of two foreign diplomats invited to Thursday dinner for Hammarskjold, other being Swedish Minister Lundborg.

Both foreign and local press representatives were greatly irritated by Hammarskjold's refusal to give them press conference or issue other than briefest and most noncommittal of statements. Virtually meaningless communique was issued after first day's meeting and, according to Embassy's informant, again last night on conclusion of talks. There were no papers today here because of Sabbath but Foreign Minister reported final communique said only that there had been general discussion of area problems.

LAWSON

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FOREIGN SERVICE DESPATCH

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DESP. NO.

TO

THE DEPARTMENT OF STATE, WASHINGTON.

May 11, 1957

REF

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DEPUTY UNDER SECRETARY OF STATE

For Dept.

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BEPARTINGS OF STATE

SUBJECT:

Mr. E. M. Creenwood and his "Plan" to Settle all Middle East Problems

1-14a 3 7576 men

Pursuant to paragraph 2 of the letter by Deputy Under Secretary Murphy to Mr. Greenwood dated March 21, 1957, the Embassy has kept the door open to Mr. Greenwood and during two weeks I received him on four occasions.

Mr. Greenwood began the first meeting by saying that he felt he had the backing of the Department of State, particularly Mr. Finn in Mr. Murphy's office, who had assured him that if he could obtain his objective the United States government would warmly welcome it. He also had the assurance of backing of Juan Trippe and leading industrialists in the U.S. The "objective" was obscure in detail but encompassed "three chestnuts": a signed peace between Israel and Egypt, solution of the Canal problem, and Egypt's definitive alignment with the West through the vehicle of a loan to Egypt amounting to 100 million dollars per year for 15 to 20 years. The loan would be repayable beginning in the sixth year at the rate of 50 million dollars a year, and be amortized over 30 to 40 years. It would be secured by all canal revenues through a management contract given to Mr. Greenwood and by cotton and other "natural resources" of Egypt. He asserted Nasser had accepted the proposition, as had his principal ministers, but that of course confirmation of acceptance would not be given until Nasser was assured that the money would be forthcoming. I then brought out for discussion the Plan which formed the subject of Mr. Murphy's reply of March 21 and accompanying correspondence. Greenwood waved this aside, particularly the feature providing that funds be derived from private American capital. This phrase, he said, had been used in order to "get inside the door and say good morning." Actually, he felt private capital would not satisfy requirements, since prevailing interest rates were too high. Instead, he desired use of what he called the Secretary of State's "one billion dollar revolving fund". and IBRD funds. I remarked that this appeared to constitute a complete change in the program. Since he had remarked that his plan was on the desk of President Nasser and on that of each of his principal ministers, were they aware of this change? Greenwood responded that this point was not important. He argued that it would matter little to Nasser where the money came from as long as he obtained it. With respect to other resources of Egypt, he said "the Canal revenues will be sufficient security, but you can throw in cotton and oil and natural resources" as additional. Egypt would pay up on time because she needs the money, and the assurance of 100 million dollars a year for 20 years would be a permanent inducement to good international behavior as well as to service on the loan. Since he was sure of the security of the loan and had remarked that he expected to recruit the

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REPORTER

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backing of captains of American industry such as Juan Trippe, I inquired why he did not discuss the program with them from the standpoint of good private investment. Again, he responded "American interest rates are too high".

Most of my first two one-hour interviews with Greenwood consisted in receiving and dealing with his various elocutionary pressures. He was in turn histrionic, sarcastic, confidential, and pleading. He reiterated "My neck is way out on this thing and I intend to see it through." From time to time during the first interview he complained that "like all State Department men I was not using plain words." He was a blunt man of business and would like somehow to receive a blunt straightforward response. Accordingly, in the second interview I took him up on this and asked him if he was prepared to hear some fairly straight talk. When he replied that he was, I told him that I thought he was dreaming and wasting his time and that of the United States Government; that the proposition he had on his mind was not commercial but loaded with politics; that I saw no prospect of Egypt repaying a loan, commercial or governmental, in such dimensions, even if such money would be forthcoming; that I could not imagine that Egypt, having just registered its Declaration with respect to the Suez Canal, would allow any outside group to tie up Canal tolls, not to mention its other national resources, as a pledge to service a debt; that all I could do for him would be to report his views to the Department; and that unless specifically instructed I could not and would not accede to his request to "get behind this thing" and "push it" with the Egyptian government. At one point he mentioned various names in the Department of people who "thought him crazy". When I asked him what he felt he had done to dispel this impression, he sat back and laughed. After this we seemed to be on good terms and the more blunt I was the better he appeared to like it. In the end he told me confidentially that his motivation was an urge to do something big and constructive, not make money or even acquire fame. He had had three unsuccessful marriages and his children by the various wives had reproached him for his shortcomings. He wished to re-earn their respect. In the friendliest possible way I then advised him against embracing grandiose concepts and suggested more modest undertakings which might have a better chance of success. He remained unconvinced and shortly asked for a third interview, in which he again asserted that the government of Egypt had concurred in his "deal" and that all that is needed is the blessing of the United States government. He urged me repeatedly to advise Washington to "give it a try". refused, stating that I would simply report factually what he had told me. He then asked if I would meet him outside "socially" with a business man who had great influence with Nasser. I asked if he meant Ahmed Fouad. When he did not respond, I told him that I felt this was a poor idea, as it would imply an official interest in his proposals which was not warranted. On his fourth call he announced happily that the "social" interview was now arranged at Maadi and that Ahmed Fouad, whom I had correctly guessed he had had in mind, would be present. He was at first very irritated when I reminded him that I had previously disapproved of the idea and that I had no intention of going. He then asked whether he could "bring a friend" to call on me at the office. I replied that if he did, it must be made clear to his friend-or I would do so myself-that the call was his own idea, and the "plan" as well. He has since phoned to ask if I would allow him to present me to Mr. Khalil Kenna, an Egyptian with American wife, living at Maadi. I responded that I was too busy for this at

Page_	3	1	_of
Desp.	No.	863	14
From_	Ca	iro	



Page	of
Encl. No	
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From	

the present time. He then said he would bring his "friend" just to "shake my hand." As of this writing he has not appeared either with the friend or a new gambit.

Prior to the recent visit of Senator Humphrey of Minnesota, Mr. Greenwood stated that he was sure the Senator was coming to Egypt for the specific purpose of looking into the Greenwood Plan. He wished to see the Senator right away on arrival. The Senator was informed of Mr. Greenwood's wishes by the Ambassador and received him on the morning of arrival. Subsequently Mr. Greenwood also talked several times with Mr. Wayne Andreas of the Senator's group, who at first appeared to be intrigued by Mr. Greenwood's presentation but finally exclaimed privately to an Embassy officer: "This man is crazy!" Greenwood had been particularly anxious to see Senator Humphrey before the latter saw President Nasser, in the hope that the Senator would put in a plug for the Greenwood Plan. The Senator, however, apparently sized up Mr. Greenwood and without briefing of any kind by this Embassy decided to omit the subject with Fresident Nasser.

Parker T. Hart Deputy Chief of Mission

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INCOMING TELEGRAM

OSD

ARMY

NAVY

AIR

Department of State

38 CONFIDENTIAL Control: 8852 Action May 15, 1957 Rec'd: NEA 2:21 a.m. FROM: Tel Aviv Info TO: Secretary of State RMR NO: 1323, May 14, SS SP SENT DEPARTMENT 1323, REPEATED INFORMATION USUN 105 C L NOFORN IO C I paid short farewell courtesy calls Ben-Gurion and Golda Meir EUR May 13 and took opportunity to discuss briefly with them Hammarskjold's visit and GOI's consideration of its adherence UOP to US doctrine for ME. As I saw them separately, following is OLI effort to synthesize their remarks: OCB USIA CIA

(1) Hammarskjold's visit: Their viewpoint was substantially as reported EMBTEL 1317 by Foreign Ministry official talking to Embassy Officer. I was very much impressed with degree to which their personal animosity to Hammarskjold seems to have been diminished by visit. Neither was nearly as acrimonious as they have been in recent past whenever SYG's name or activity was mentioned.

Positive results, I gathered, were virtually nil except that both sides had been given an opportunity to explain fully their respective positions on critical issues and rationale for their actions and statements under various circumstances.

Mrs. Meir without rancour remarked that SYG and Bunche had been unable to give effective replies to most of GOI's more searching questions, especially in field of SYG's diffidence in dealing with Nasser, on Israeli complaints against his insistence on rights of belligerency and his violations of armistice agreements. By contrast, they told SMG, he had always been aggressive in pursuing his dissatisfaction with Israel not (repeat not) only with GOIO but publicly. SIG had attempted to prove his approach was balanced and objective by claiming he had taken up all these matters with Nasser. Israelis had insisted this did not (repeat not) represent equal treatment as long as he did not (repeat not) make public his position with regard to Nasser.

It was never expressed but I got definite impression that both Ministers felt visit at this time served real need for Harmarsk jold but was no (repeat no) great importance to Israel. This is an assessment which I share to considerable extent.

2. Israel's UNLESS "UNCLASSIFIED"

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- -2- 1323, May 14, 4 p.m. from Tel Aviv
- 2. Israel's statement of adherence to ME doctrine: GOI is working up position both within and outside Cabinet in light Rountree's remarks to Eban (DEPTEL 1042). According to one of Meir's aides, GOI has already suggested some language changes for Eban to submit to Department.

Both Ministers were vague in reply to my inquiries on question of whether further Cabinet consideration of statement will be necessary, but I believe Ben-Gurion thinks he can go ahead on his own initiative despite rather noisy public opposition of his coalition partners Mapam and Achdut Avoda.

Meir told me -- as I already learned from other informants -- that General Zionists are planning open support for government's adherence to doctrine but are launching campaign to have whole issue debated in Knesset. This obviously would be for political advantage to be derived in widening rift on this subject between Mapai and its left-wing labor partners, as well as embarrassing latter. I feel confident that Ben-Gurion can defeat any such maneuver.

Golda Meir admitted she badly wants statement to be joint rather than unilateral one to which we would make separate reply, but agreed that Richards had given her no (repeat no) assurances that former would be acceptable to US.

LAWSON

SW:CHS/1

THIS RM/R

58-52 Action

CONFIDENTIAL

Control: 8485

Rec'd:

May 14, 195

2:07 p.m

Info RMR

SS

G SP C

NEA

FROM: Jerusalem

Secretary of State

NO:

345, May 14, 3 p.m.

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EUR P UOP OLI

0CB USIA CIA

OSD ARMY NAVY AIR

SENT DEPARTMENT 345, REPEATED INFORMATION AMMAN 186, BEIRUT 84, CAIRO 93, DAMASCUS 83, TEL AVIV 155, LONDON 37, PARIS 25.

NOFORN

While in Jerusalem May 11 General Burns paid social call at CONGEN. He made following observations about situation Gaza.

Egyptians have not introduced military personnel in disguise or other-wise into Gaza strip as far as he can determine. In addition to police members of former units composed of Palestinians are of course present in the strip. He understands Egyptians are paying them a small retainer - one or two pounds per month -- to give them a sort of "reserve" status. This matter not important so long as they remain inactive. UNEF troops find their work and surroundings quite tedious. Burns is endeavoring work out best leave arrangements possible for them. Some ranking officers national contingents, especially Indian, disgruntled at not being included Burns mess, but lack space has required him limit participation to his own staff officers.

Israel complaints of infiltration are just as numerous as those made in previous years. Since these complaints are not submitted to the MAC or investigated, he does not know if they represent actual incidents or merely fabrications. The Egyptians have made their consent to a barbed-wire fence along sections of the border conditional on Israel's agreement to the stationing of UNEF forces on both sides of the D/L. Burns thought it would be necessary to mine such a fence and patrol it on both sides to prevent its being mine such a fence and patrol it on both sides to prevent its being stolen.

Recent events in Jordan have obviously damaged Nasser's prestige. As a result the Egyptians are at present even more reluctant than formerly to consider constructive steps which might possibly arouse the ire of their extremist elements. While the residents of Gaza, especially property owners appear to welcome the presence of UNEF and would even view favorably the idea of an international regime there, the refugees are mainly pro-Egyptian. young people especially are amenable to the influence of teachers

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-2- 345, May 14, 3 p.m., from Jerusalem

whose sympathies are primarily pro-Egyptian and even pro-Communist.

Burns visited Jerusalem briefly to see Hammarskjold, but did not participate in the discussion between the latter and Israeli officials (CONTEL 342).

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UP. HOWEVER. HE CONSULTED ISRAELIS. WHICH CORDIER THINKS

AVAILABLE ON TECHNICAL OR FINANCIAL PROBLEMS AND IT IS AFFARENT

Action

NEA

FROM: NEW YORK

Secretary of State

920. MAY 14, 6 PM

RE GAZA FENCE (DEPTEL 868)

WHEN HE REPORTS ON TRIP IN GENERAL .

NO THOUGHT GIVEN THIS ASPECT AT HDQ LEVEL.

TO:

NO:

RMR

Info SS G SP C W L IO R 0 EUR Control:

Rec'd:

8735

MAY 14. 1957

CENTRAL

CORDIER (UN) SAYS THAT SYG HAS ASKED BURNS TO HOLD UP FENCE DEVELOPMENTS AND REGARDS FENCE AS DORMANT TSSUE AT PRESENT. HE INDICATES THAT BURNS ORIGINAL IDEA WAS FENCE ON EGYPTIAN SIDE OF BORDER AND THAT HE SHOULD HAVE GONE AHEAD TO FUT IT WAS TACTICAL ERROR AND WHICH CREATED PROBLEM OF PARTIAL OR FULL FENCE. ETC. EGYPTIANS WENT "COLD" ON IDEA AFTER ISRAELIS HAD OBJECTED. SYG AND BEN GURION DISCUSSED SUBJECT AT SOME LENGTH. WE WILL PRESUMABLY RECEIVE REPORT ON THIS FROM SYC BECAUSE SYG NOT INTENDING REVIVE IDEA JUST NOW, NO INFORMATION

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NEAPPRATOYE 5/20/57 PISEV: PD Constable

in applied appredicte receiving and suggestions for replying to the substantial letter. If you prester to inspect the could you kindly special a copy of your reply to all the second and so to all the second and the s

may 14, 1957 Hon. John Fester Duller STV MAY CE MAY 2/120 Department of State Dear Sin In the may 17 using 6. S. Neus + horld Report on page 3 Senator Humphrey states that Egypts President Wasser is bitter because the United States refused to sell wheat to Egypt last year following the unasion of Egypt, and because is refused Nasseis regrest for medicine and emergency food for Pat Said. I have read elsewhere that we did sell wheat to Israel following Israels' imasion of Egypt. of the alove are the facts then I should like to know why we refused to sell food a help the suraded country but did sell to The minder. This seems a direct several for appression. Is it still our policy to deny financial aid to Egypt now That is an once more aiding Israel and offering and to other hiddle Eastern countries? 415 10 14 feeth fill Perhaps is omeone can weightain part policies that deried If and to Egypt, continue to deny that aid and yet help everyone else michding Israff, they very green made. T. Livington Rodges 5701 Stanton are. Pittsbrigh 6, Pa.

Dear Mr. Rodgers:

I have been asked to reply to your letter of May 14, 1957 to Secretary Dulles concerning aid to Egypt and Israel following the invasion of Egypt by Israel Isst year.

At the time of the invasion, the United States evacuated non-essential personnel from four states of the Middle East, with the result that United States aid programs were interrupted. Following Israel's withdrawal from Egypt in compliance with United Mations resolutions, discussions were initiated between representatives of Israel and the United States looking toward a resumption of economic assistance programs.

As you may know, the funds blocked by order of the United States Treasury, following seizure of the Universal Canal Company, were those held at that time for the account of the Government of Egypt and its instrumentalities and those funds that were held for the account of the Universal Sucz Canal Company. The order does not affect funds acquired by the Government of Egypt or its instrumentalities subsequent to the date of the blooking order and does not proclude Egypt from financing essential imports from unblocked assets which Egypt has.

You may be interested in the comments of Secretary Dulles concerning problems arising from payment of tells to the Egyptian authority by American ships, and the freezing of Egyptian funds to protect against such risks. A Department of State release of the Secretary's news conference of April 2 is enclosed. The exchange referred to is found at the bottom of page five and the top of page six.

Sincerely yours,

33733

John P. Meagher Chief Public Services Division

Enclosure:

As stated.

Mr. T. Laying ton Todgor's 5701 Maria Avenue Ethionical, Name

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Department of State

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55-51 Action NEA

SECRET

Control: 9470 Rec'd:

MAY 15, 1957 6:06 PM

Info RMR FROM: PARIS

Secretary of State

NO:

5816, MAY 15, 6 PM

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OCB USIA CIA OSD ARMY NAVY

AIR

SENT DEPARTMENT 5816; REPEATED INFORMATION LONDON 908. USUN 154.

REFERENCE TEL AVIV TEL 1317 TO DEPARTMENT.

MAILLARD OF FONOFF READ SELECTIONS FROM TELEGRAM FRENCH AMBASSADOR GILBERT REPORTING ON BEN GURION - SYG MEETING. GILBERT CONTRASTED BEN GURIOGS REALISTIC APPROACH" TO SYGIS "UNREALISTIC INSISTENCE" ON SOLUTION REFUGEE PROBLEM AS BASIC PREMISE ALTHO WINFLEXIBILITY" WAS NOT (REPEAT NOT) KEYNOTE OF TELEGRAM, GY WERT REPORTED THAT
SYG HAD AGREED NOT TO DISCUSS CERTAIN ROBLEMS (STATIONING
UNITED NATIONS FORCES ACROSS ISRAEL CROSSIER, ETC.) AND CONSEQUENTLY NO OUTSTANDING PROBLE RE SETTLED.

RE TEL AVIV TEL 1311 TO DEPARTMENT, MAILLARD OMMENTED THAT TEL AVIV HAD BECOME MECCA FOR ALL FRENCH POLITIGIANS AND NO ONE COULD POSSIBLY REGRET MORE THAN HE (#)

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KMR file 5/17/59

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CORRECTION ISSUED SECRET 55-51 5-16-57, 5 PM Action Control: 9470 Rec'd: MAY 15, 1957 NEA FROM: PARIS-CORRECTED COPY 6:06 PM Info TO: Secretary of State RMR NO: 5816, MAY 15, 6 PM SS G . SP SENT DEPARTMENT 5816; REPEATED INFORMATION LONDON 908, C. W. USUN 154. L REFERENCE TEL AVIV TEL 1317 TO DEPARTMENT. 0 EUR MAILLARD OF FONOFF READ SELECTIONS FROM TELEGRAM FRENCH P UOP AMBASSADOR GILBERT REPORTING ON BEN GURION - SYG MEETING. OLI GILBERT CONTRASTED BEN GURION'S "REALISTIC APPROACH" TO SYG'S "UNREALISTIC INSISTENCE" ON SOLUTION REFUGEE OCB 84A/5-15 PROBLEM AS BASIC PREMISE ALTHO "INFLEXIBILITY" WAS NOT USIA (REPEAT NOT) KEYNOTE OF TELEGRAM. GILBERT REPORTED THAT CIA OSD SYG HAD AGREED NOT TO DISCUSS CERTAIN PROBLEMS (STATIONING ARMY UNITED NATIONS FORCES, ACROSS ISRAELI FRONTIER, ETC.) NAVY AND CONSEQUENTLY NO OUTSTANDING PROBLEMS WERE SETTLED. AIR RE TEL AVIV TEL 1311 TO DEPARTMENT, MAILLARD COMMENTED THAT TEL AVIV HAD BECOME MECCA FOR ALL FRENCH POLITICIANS AND NO ONE COULD POSSIBLY REGRET MORE THAN HE THEIR LRRESPONSIBLE STATEMENTS. HOUGHTON MGG: GEV

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Jerusalen

Secretary of State

350. May 22. 3 p.c.

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Contro Fig.

5768 May 22, 1957

1:39 p.m.

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DEPARTMENT 350, REPEATED INFORMATION AMMAN 189, GAIRO 96. LONDON 38. HEL AVEV 158. BEIRUF, DAMASCUS, PARIS TNNUMBERED

Chairman Eimac at Gaza has given Colonel Leary background information summarised berewith. Leary requests distribution US officials only.

The number of Egyptians and police in Gaza Strip appears to have increased somewhat. Palestine police have advertised for recruits. Many new faces are seen in Gaza town. ese police and camel corps personnel have arrived in Strip. Some 250 to 300 Egyptian personnel arrived May 14. About 40 persons came to bolster Egyptian CID force, including a few About 40 women. Certain newcomers who enter as members civil administrative staff may have background military or CID service. Some disorders occurred around police headquarters, but these may have been in connection recruiting efforts or as protest imprisonment former Mayor Rushdi Shawa. Mayor, who held office during Israeli occupation arrested on charge illegal currency operations. He was leader of group favoring international regime for Strip. His supporters now fearful their own safety. Egyptians gaining in self-confidence and beginning take action against former collaborators.

Fedayeen reportedly discontented as their pay roll amounting to six pounds per month (plus three pounds allowances) discontinued since end February. Fedayeen said engaging in threats and extertion against certain locals, especially those vulnerable through accusations collaboration Israel. Rumors say Fedayeen ordered move back to Egypt. Some understood involved in squables with police. A "Falestine" army brigade formerly in training near the Canal has been disbanded for reason economy. Indications add up to conclusion that Egyptian regime in Strip is not popular. Introductions of Sudanese police and camel corps taken at evidence that all is not well and that authorities cannot trust Palestine police.

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COMFIDENTIAL

- 350, May 22, 3 p.m., from Jerusalem

condended comment: When General Burns called briefly at CONGEN on May 18, I asked his views Gaza situation. Egypt wans had already told him they intended introducing some Sudanese into area, but he understands these located Rafa and El Arish. He has not seen any himself. Burns confirmed arrests Mayor Shawa but said Egyptians gave as motive finding of letter in possession Mayor from "Israeli intelligence." Burns opined alleged letter quite possibly planted. Burns said Gaza quiet and Wedayeen evidently inactive. He added that as UNEF duties rather boring he has made best efforts set up leave arrangements TWEF has taken over three hotels near Beirut and some 350 personnel per week proceed there on leave. Burns intended inspect UNEF base Naples week of May 2.

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Office Memorandum • UNITED STATES GOVERNMENT

SECRET

TO : NF - Mr. Fraser Wilkins

DATE: N

May 23, 1957

FROM

NE - Wells Stabler

SUBJECT:

Ambassador Zellerbach's Conversations with Arab Representatives

in Rome

On April 5, 1957 during my farewell call on Ambassador Zellerbach, he told me that during his initial courtesy call on the Egyptian Ambassador to Rome (Major General Haiba), the question of the settlement of the Palestine problem had arisen. The Egyptian Ambassador had indicated that Egypt and the Arab states were prepared to settle the problem, provided that Israel abided by the UN resolutions. Ambassador Zellerbach said that he had made the personal suggestion that the Arabs and Israelis should get together and discuss their grievances and, of course, be prepared to give and take a little on both sides. He expressed the personal opinion that the Arabs and Israelis should agree to hold these discussions secretly and without publicity (for example, such as had been done in the Trieste negotiations in London). Ambassador Zellerbach indicated that if the Arabs and Israelis should agree to hold such conversations, possibly in Rome, he personally thought the US would be willing to assist its friends in so far as we could in reaching an agreement.

Ambassador Zellerbach then told me that at a later meeting with another Arab ambassador (as I recall, the Tunisian) that ambassador had alluded to the possible settlement of the Arab-Israeli question. Ambassador Zellerbach inferred that the Egyptian Ambassador had discussed his previous conversation with Ambassador Zellerbach with the Tunisian Ambassador and that the Arab Chiefs of Mission were showing some interest in his (Ambassador Zellerbach's) informal suggestions.

Ambassador Zellerbach told me that he was on very good terms with Reuven Shiloah of the Israel Embassy in Washington. He said that he had intimated to the Arabs that if they were interested in the idea of holding secret conversations in Rome, it would be possible to have a high-ranking Israel official come to Rome immediately. The Ambassador stated to me that he had discussed some of these problems with Shiloah before he left for Rome and that he was certain that Shiloah would come to Rome immediately if necessary.

I suggested...

SECRET

I suggested to Ambassador Zellerbach that he write to Deputy Assistant Secretary Jones about this matter, but the Ambassador said that since it was in its initial stages, he would prefer not to make it a matter of record. However, he requested that I mention it to the appropriate persons in the Department. I have refrained from doing so since it was my impression, from previous experience on these questions, that there would be no further developments. However, in view of the question raised by the Canadian correspondent on May 22 regarding the approach by the Egyptian Military Attache in Rome to the American Ambassador there on possible Arab-Israel settlement, I am now submitting this memorandum to you. While there may be some lapses with regard to sequence, I believe that it is correct in substance.

NEA: NE: Wells Stabler:rl 5/23/57

DEPARTMENT OF STATE

Memorandum of Conversation

May 23, 1957

SUBJECT:

Egyptian Activities in Gaza

PARTICIPANTS: Mr. Derek Benest, Second Secretary, British Embassy

Mr. Randolph Roberts, NE

NEA(2cc), NE(3cc), UNP

Mr. Benest said that his Embassy had been advised from Jerusalem that the Egyptian authorities in Gaza were becoming increasing difficult to deal with; they have arrested the former mayor of Gaza; they are preventing refugees who wanted to leave Gaza to proceed to Kuwait to take up jobs there by demanding 1100 deposit from anyone leaving; the manager of the hotel where UN personnel stay was told that her livelihood would be taken away from her unless she reported on the activities of UN guests; and that they were seeking to limit the movements of UNRWA personnel and dictate who would be employed by UNRWA.

I think the last complaint is the one that is giving the British concern and Mr. Benest said that their representative at the UN had at his discretion been derected to discuss these matters with the Secretary General's Advisory Committee and with the U.S. and Canadian delegates to see what, if anything, could be done. The Foreign Office had suggested publicity on the latter point might be an effective way of dealing with the Egyptian interference.

CONFIDENTIAL

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DEPARTMENT OF STATE

SPECIAL ASSISTANT TO THE SECRETARY

June 5, 1957

DEPUTY UNDER SECRETARY OF STATE

JUNG 1757

MEMORANDUM FOR: G - Mr. Finn

Subject: Greenwood

Following up our telephone conversation regarding an answer to this gentleman, I wish to record that Greenwood called the Secretary's office today and demanded that he have by an answer to his May 26 memorandum which he dropped off

at the Secretary's residence.

Miss Bernau told Mr. Greenwood he would have an answer.

I agree with you that Greenwood will not be happy at an answer from other than the Secretary and will not be happy at a negative answer no matter from whom. Nevertheless, I feel he should have an answer, non-committal and over the signature of someone other than the Secretary or his immediate office.

D. Drain

S:RDD:cjp

DEPARTMENT OF STATE

DEPUTY UNDER SECRETARY

June 6, 1957

MEMORANDUM FOR: NEA - Mr. Omashin.

FROM: G - Mr. Finn

RM/R-

Here, for a second time, is Mr. Greenwood's letter of May 26 to the Secretary. I had agreed earlier with Wells Stabler that no reply seemed necessary.

Mr. Greenwood insistently requested a reply from the Secretary's office, and as Mr. Drain's memo indicates, Miss Bernau told Greenwood he would get a reply.

Mr. Murphy believes that a short acknowledgement signed by an officer in NEA will be adequate. Could you have the necessary action taken?

Richard B. Finn Special Assistant

Attachment:
Greenwood file

· DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

president francisco

OFFICE OF THE SECRETARY

Ho wants mily to-217 Pine Street Seattle

DEPARTMENT OF STATE

DEPUTY UNDER SECRETARY

May 27, 1957

MEMORANDUM FOR: NEA - Mr. Galashin

Attached is a letter dated May 26 to the Secretary from Mr. Greenwood. This was referred to G by the Secretary's office. I told Mr. Drain that G would refer the letter to NEA for appropriate disposition.

Mr. Greenwood came in to see me this morning. He told me that he had President Nasser's initial on a document outlining the "Greenwood Plan." told Mr. Greenwood that there seemed to be little. interest in the Department regarding his plan and that the general feeling appeared to be that his proposals were unworkable. Mr. Greenwood said that he would fight for the adoption of his plan whether or not the State Department thought it was constructive. We parted amicably.

> Richard B. Finn Special Assistant

Attachment: As stated. Affer balling with Mr. Fine I was open that wo refly are accuracy

DEPARTMENT OF STATE

SPECIAL ASSISTANT TO THE SECRETARY

9:35

Mr. Greenwood, Shoreham Hotel

AD 4-0700, Rm. 301 G

Said he left letter at Secretary's yesterday afternoon and Sec told him to get in touch with the office this morning re seeing him. Greenwood says he has something new to show the Sec. He is leaving tomorrow morning.

The SHOREHAM

Connecticut Avenue at Calvert Street Washington 8, D.C.

May 26, 1957

MEMO TO SECRETARY DULLES

Dear Mr. Secretary:

I have just returned from Cairo.

I have acceptance from President Nasser, Zakaria Mohieddin and Dr. Kaissuny of our Mideast proposals.

I have a letter from President Nasser.

I can deliver to you everything you want the way you want

May I have this privilege?

Respectfully,

LEMENT COMMITTEE

M. Greenwood, Chairman The Shoreham Hotel

Washington, D. C.

DEPUTY UNDER SECRETARY OF STATE

WASHINGTON

March 21, 1957

Dear Mr. Greenwood:

I acknowledge the receipt of your letter of March 17 addressed to Secretary Dulles as well as that of March 16, and enclosures, addressed to me. It is understood that you have had a number of conversations with and opportunity to express at length your views to officers of the Department, including myself, as well as to officers of the American Embassy in Cairo.

Officers of the Department concerned with Egypt and the Middle East stand ready to discuss any additional views you care to submit. They have met at some length with Commander E. H. Hutchison. They are also prepared to talk with foreign visitors whose views may be of assistance.

Your views have received careful consideration, and I am enclosing a memorandum prepared in the Department commenting on the plans and proposals which you have submitted. I hope these comments will be helpful to you.

I appreciate your interest in these questions and your desire to be of assistance to your government. You have gone to a great effort and expense in your attempts to suggest solutions. I wish to assure you that the Department of State shares your hopes that solution of these important problems will be rapidly forthcoming.

Yours Sincerely,

ROBERT MURPHY (Signed)

Robert Murphy

Enclosure:
As stated.

Mr. E. M. Greenwood,
The Shoreham Hotel
Washington, D. C.

(MEMO RECEIVED FROM STATE DEPARTMENT COMMENTING ON MIDEAST SETTLEMENT COMMITTEE PROPOSALS)

The plan and proposals put forward by the Middle East Settlement Committee have been read with interest and carefully considered in the Department. It is obvious that considerable time and effort has been devoted to developing this plan.

While the objectives set by the Middle East Settlement Committee are desirable, it is feared that they could not be achieved through the course of action proposed by the Committee.

In the first place, the idea of the assignment of national assets and resources by other nations as security for development loans by a corporation directed by leaders of American finance and industry would likely not be favorably received in many countries, particularly those in which the current of nationalism is at present running strong. The fear of indirect control of national resources by citizens and capital of an outside nation, particularly a major power, is deep-rooted in that part of the world which was formerly under colonial rule. It is not believed that it would be possible to obtain the security necessary for launching the type of large-scale loans which the Middle East Settlement Committee has in mind, for the reason set forth above and also because a number of countries which are most in need of development do not possess large national resources.

The issuance of "World Peace Bonds" to cover the necessary loans and financing contemplated by the suggested corporation would, we fear, arouse suspicions that the purpose of the "World Development Corporation" was primarily one of exploiting for profit foreign assets and concessions. The assumptions regarding tax exemptions for these bonds, investibility in banks and guaranties by the United States Government, are considerations less easily achieved than conceived.

Just as the United States would not now be prepared to receive massive amounts of immigrants without restrictions, so it is believed that other countries would not look with favor upon a proposal involving their "letting down the bars," in the words of the plan under discussion, to receive "all people wishing to leave their respective countries." In particular, we do not have reason to think that the South American countries, in return for development projects by the "World Development Corporation," would agree to such large-scale injections of immigrants. The political and economic problems in the relocation of large alien populations in other countries are considerable. So are the obstacles in the way of emigration from many countries, particularly those behind the Iron Curtain.

Finally, there are competent institutions already in existence, in which the United States Government participates and which are able to be of considerable assistance to countries desiring loans for economic development. The International Monetary Fund, the International Bank for Reconstruction and Development, the Export-Import Bank and the International Cooperation Administration, are actively working at promoting international economic stability and growth. While the work of these institutions is carried on on a smaller scale than that envisaged by the corporation proposed by the Middle East Settlement Committee, it does not involve the difficulties and obstacles forseen in connection with the concept of the "World Development Corporation."

THE PLANS AND PROPOSALS SUBMITTED BY THE MIDEAST SETTLEMENT COMMITTEE

 The memorandum, prepared by the State Department, states: "The plan and proposals put forward by the Middle East Settlement Committee have been read with interest and carefully considered in the Department. It is obvious that considerable time and effort has been devoted to developing this plan."

MUCH TIME AND CONSIDERABLE EFFORT HAS BEEN SPENT IN DEVISING THESE PLANS. MANY YEARS OF BUSINESS EXPERIENCE, AND ASSOCIATION WITH PEOPLE THROUGHOUT THE WORLD, GETTING ACQUAINTED WITH THEIR PROBLEMS, THEIR FEELINGS AND OBJECTIVES HAVE CONVINCED US THESE PROPOSALS ARE FEASIBLE. OUR FIRSTHAND KNOWLEDGE OF THE NATIONAL RESOURCES AND OPPORTUNITIES PREVALENT IN MANY COUNTRIES, PARTICULARLY SOUTH AMERICA, PROMPTS US TO STATE THE UNDEVELOPED RICHES AND RESOURCES OF THE WORLD CAN FINANCE NATIONAL SECURITY. OUR PLAN IS THE CULMINATION OF MANY YEARS EXPERIENCE AND EXTENSIVE TRAVEL.

2. The memorandum also states: "While the objectives set by the Middle East Settlement Committee are desirable, it is feared that they could not be achieved through the course of action proposed by the Committee."

ANYTHING DESIRABLE AND CONSTRUCTIVE SHOULD AT LEAST BE EXPLORED. WE ARE OPEN TO ANY "COURSE OF ACTION" TO ACCOMPLISH OUR OBJECTIVES AND SHALL BE HAPPY TO RECEIVE CONSTRUCTIVE SUGGESTIONS.

3. The memorandum further states: "In the first place, the idea of the assignment of national assets and resources by other nations as security for development loans by a corporation directed by leaders of American finance and industry would likely not be favorably received in many countries, particularly those in which the current of nationalism is at present running strong. The fear of indirect control of national resources by citizens and capital of an outside nation, particularly a major power, is deep-rooted in that part of the world which was formerly under colonial rule."

ON THE CONTRARY. ASSIGNMENT BY BORROWING NATIONS OF SOME OF THEIR ASSETS AND NATURAL RESOURCES (DEVELOPED OR UNDEVELOPED) AS SECURITY FOR WELL-PLANNED LOANS IS THEIR PREFERENCE TO HANDOUT AID WITH ENTAILING POLITICAL STRINGS AND RESTRICTIONS. EGYPT, FOR ONE, IS ACCEPTABLE TO THIS AND IS APPARENTLY THE NATION YOU REFER TO WHERE THE "CURRENT OF NATIONALISM IS RUNNING STRONG". WE HAVE A DEFINITE ACCEPTANCE OF OUR PLAN FROM THE EGYPTIAN GOVERNMENT. THEREFORE, YOU ARE MISTAKEN.

IF A NATION HAS THOUSANDS OF ACRES TO IRRIGATE, A DAM TO BUILD, NEEDS POWER, AND HASN'T THE MONEY TO ACCOMPLISH THESE THINGS, THEY WILL BE HAPPY TO SHARE THE REVENUES WITH THE SOURCE THAT GIVES THEM THE FUNDS TO ACCOMPLISH THEIR OBJECTIVES AND ASSIGN ALL OR A PORTION THEREOF TO PROPERLY AMORTIZE THE LOAN. THEY WOULD ALSO PREFER THE FUNDS TO COME FROM A CORPORATION COMPRISED OF COMPETENT SUCCESSFUL AMERICAN BUSINESSMEN, FREE OF POLITICS, THAN A GOVERNMENT LOAN WITH ITS USUAL POLITICAL ENTANGLEMENTS.

TOO, THEY REALIZE THAT TWENTY-FOUR OF THE LEADING EXECUTIVES OF AMERICA, EACH THE EXPERIENCED HEAD OF A SUCCESSFUL INDUSTRY, CAN BRING TO THEIR COUNTRY "KNOW-HOW", EXPERIENCE AND ABILITY THEY COULD NEVER POSSIBLY AFFORD OR ACQUIRE. ALSO, THE EXECUTIVES, SERVING WITHOUT COMPENSATION AS A PATRIOTIC DUTY ON THE BOARD OF OUR POSPOSED WORLD DEVELOPMENT CORPORATION, WOULD PROBABLY BE RESPONSIBLE FOR SECURING MUCH PRIVATE INDUSTRY AND CAPITAL FOR THE COUNTRIES WE ARE TRYING TO HELP., HERE IS A SECONDARY BENEFIT THAT THROUGH THE IMPLEMENTATION OF OUR PLANS COULD WELL ECLIPSE LOAN BENEFITS. OUR EXPERIENCE AND INVESTIGATION HAVE CONVINCED US LEADERS OF AMERICAN FINANCE AND INDUSTRY, FREE OF POLITICS, ARE DEFINITELY ACCEPTABLE AND PREFERABLE. TO SUBSTANTIATE THIS WE SUGGEST THE STATE DEPARTMENT ASK OTHER NATIONS' VIEWS.

4. The memorandum states: "It is not believed that it would be possible to obtain the security necessary for launching the type of large-scale loans which the Middle East Settlement Committee has in mind, because a number of countries which are most in need of development do not possess large national resources."

THERE ARE NOT, TO OUR KNOWLEDGE, MANY COUNTRIES IN THIS WORLD WHICH, IF THEY DESIRE A COMMERCIAL BUSINESS LOAN, CANNOT PLEDGE SOME KIND OF SECURITY, REVENUES, RESOURCES OR CONCESSIONS THAT WILL BE ACCEPTABLE TO THEM AND TO US. ALSO, THERE ARE NOT MANY COUNTRIES "MOST IN NEED OF DEVELOPMENT" THAT "DO NOT POSSESS NATIONAL RESOURCES" IN SOME FORM. ISOLATED CASES SHOULD NOT PREVENT THE CONSTRUCTIVE PROGRAM WE SUGGEST FROM BEING OPERATIVE. IT IS NOT THE RECOMMENDATION OF OUR COMMITTEE FOREIGN AID IN THESE CASES BE ELIMINATED.

5. The memorandum states: "The issuance of "World Peace Bonds" to cover the necessary loans and financing contemplated by the suggested corporation would, we fear, arouse suspicions that the purpose of the "World Development Corporation" was primarily one of exploiting for profit foreign assets and concessions."

WORLD PEACE BONDS CAN BE PURCHASED BY ALL PEOPLES OF THE WORLD, NOT JUST AMERICANS. ALL WHO PARTICIPATE IN OUR SUGGESTED PEACE OFFENSIVE WOULD NOT ONLY BE MAKING A PATRIOTIC INVESTMENT TO HELP GUARANTEE WORLD PEACE, BUT THEY COULD CONCEIVABLY PROFIT THEREFROM. WHEN BOND PROCEEDS ARE USED TO HELP THE INTERNAL ECONOMY OF EVERY BORROWING COUNTRY, RAISE THEIR STANDARD OF LIVING, MAKE THEM MORE INDEPENDENT AND SELF-SUPPORTING, THEY MOST CERTAINLY WILL RECOGNIZE THAT THEY ARE NOT BEING EXPLOITED. ASSISTANCE AND COOPERATION DO NOT CONSTITUTE EXPLOITATION. (See Addendum to Mr. Murphy, page 4)

6. The memorandum states: "The assumptions regarding tax exemptions for these bonds, investibility in banks and guaranties by the United States Government, are considerations less easily achieved than conceived."

WOULD IT NOT BE EASIER AND BETTER TO FINANCE OUR FOREIGN AID PROGRAM, CUT OUR BUDGET, DECREASE OUR NATIONAL DEBT AND CURB INFLATION BY THE ISSUANCE OF TAX EXEMPT, QUASI-GOVERNMENT "PEACE BONDS" THAN TO PURSUE OUR PRESENT POLICY OF FOREIGN AID SPENDING? WE THINK IT MUCH EASIER AND MORE PRACTICAL. ASK MR. AND MRS. AMERICA.

7. The memorandum states: "Just as the United States would not now be prepared to receive massive amounts of immigrants without restrictions, so it is believed that other countries would not look with favor upon a proposal involving their "letting down the bars," in the words of the plan under discussion, to receive "all people wishing to leave their respective countries."

YOU HAVE MISCONSTRUED THIS. IN THE WORDS OF THE PLAN, "THE U. N. AND THE U. S. WILL LET THE BARS DOWN IN ALL COUNTRIES....TO ALLOW ALL PEOPLE WISHING TO LEAVE THEIR RESPECTIVE COUNTRIES THE OPPORTUNITY OF DOING SO AND EMIGRATING TO ANY OTHER COUNTRY WISHING AND DESIRING TO TAKE THEM."

IT IS NOT OUR INTENTION THAT THE UNITED STATES RECEIVE THESE IMMIGRANTS. NOWHERE IN OUR SUGGESTIONS HAVE WE ADVOCATED SUCH THOUGHTS. THE PURPOSE OF THE IMMIGRATION PART OF OUR PLAN IS TO DEVELOP UNDEVELOPED TERRITORIES BY RELOCATING PEOPLE FROM EXPLOSIVE AREAS. SOUTH AMERICA OFFERS THE IMMIGRANT OPPORTUNITIES COMPARABLE TO OUR OWN COUNTRY ONE HUNDRED FIFTY YEARS AGO. IF WE WERE LIVING IN AN EXPLOSIVE AREA WE WOULD CERTAINLY BE INTERESTED IN EMIGRATING WITH OUR WIVES AND CHILDREN TO SAFER AND MORE ADVANTAGEOUS REGIONS, ESPECIALLY IF OUR EXPENSES WERE PAID AND SECURITY ESTABLISHED.

AS FOR OTHER COUNTRIES LETTING DOWN THE BARS SO ALL THOSE WISHING TO LEAVE COULD DO SO, THIS WOULD BE ADVISABLE AND CONSTRUCTIVE AND WOULD MAKE FOR HAPPIER FEELINGS ALL AROUND. MALCONTENTS ARE NOT AN ASSET TO ANY COUNTRY. FORCEFUL DETENTION IS DETRIMENTAL TO A COUNTRY'S BEST INTERESTS. A NATION'S SUCCESS AND PROSPERITY IS BETTER SERVED WITH COMPATIBLE CITIZENS.

8. The memorandum states: "In particular, we do not have reason to think that the South American countries, in return for development projects by the "World Development Corporation," would agree to such large-scale injections of immigrants."

SOUTH AMERICA IS HARDLY SCRATCHED. THE COUNTRIES THERE ARE VERY DESIROUS OF NEW IMMIGRANTS, ESPECIALLY IF THEY BRING INVESTMENTS AND DEVELOPMENT. BRAZIL, FOR INSTANCE, HAS A PRESENT POPULATION OF 70 MILLION, AND MILES OF UNTOUCHED,

UNEXPLORED TERRITORY. IN A RECENT SURVEY IT WAS ESTABLISHED BRAZIL COULD FEED A POPULATION OF 750 MILLION PEOPLE. SHE CAN AND IS WILLING TO ABSORB ANY NUMBER OF ACCEPTABLE IMMIGRANTS, PARTICULARLY IF THEY MEAN THE DEVELOPMENT OF HITHERTO UNDEVELOPED AREAS AND THE INFLUX OF CAPITAL EXPENDITURES FOR NEW ROADS, IRRIGATION, POWER, HOMES, HOSPITALS, SCHOOLS, INDUSTRIES, PAYROLLS, ETC. ASK THE BRAZILIAN GOVERNMENT OR ANY OTHER SOUTH AMERICAN COUNTRY. THEY CAN PUT TO WORK FOR THEIR INTERNAL ECONOMY UNDEVELOPED AREAS THAT MIGHT REMAIN DORMANT AND UNPRODUCTIVE FOR MANY YEARS. I HAVE FLOWN OVER THESE MILLIONS OF ACRES OF UNTOUCHED DOMAIN WHERE OPPORTUNITIES ARE SO PREVALENT.

THE UNITED STATES GOVERNMENT GRANTED OUR RAILROADS EVERY OTHER SECTION OF LAND CLEAR TO THE PACIFIC COAST TO ASSIST IN THE DEVELOPMENT OF THE WEST, IT IS THESE GRANTS THAT LARGELY SUPPORT OUR WESTERN RAILROADS NOW. THEY HAVE BEEN FOUND RICH WITH OIL AND OTHER RESOURCES. MIGHT NOT THE SOUTH AMERICAN COUNTRIES GRANT SUCH LAND, OIL AND MINERAL CONCESSIONS IN EXCHANGE FOR CONSTRUCTIVE DEVELOPMENT AND MILLIONS OF DOLLARS OF CAPITAL INVESTMENT?

9. The memorandum states: "The political and economic problems in the relocation of large alien populations in other countries are considerable."

NOT IF PROPERLY PLANNED AND EXECUTED. THEY WOULD MORE APTLY BE DESCRIBED POLITICAL AND ECONOMIC ADVANTAGES, NOT PROBLEMS. HAPPY AND CONTENTED EMIGRES DO NOT CONSTITUTE A POLITICAL PROBLEM, AND IF THEIR COMING MEANS CAPITAL INVESTMENTS RUNNING INTO MILLIONS OF DOLLARS THEY ARE A DEFINITE ECONOMIC ADVANTAGE TO THE COUNTRY RECEIVING THEM.

10. The memorandum states: "So are the obstacles in the way of emigration from many countries, particularly those behind the Iron Curtain."

WITH MONEY TO FINANCE THEIR EXODUS AT THEIR DISPOSAL EVEN MANY BEHIND THE IRON CURTAIN WILL MAKE IT, WITH OR WITHOUT THE CONSENT OF THEIR GOVERNMENT. IT HAS BEEN, HOWEVER, THE SUGGESTION OF THIS COMMITTEE THAT THE UNITED NATIONS MAKE IT POSSIBLE FOR ALL PEOPLE WISHING TO LEAVE THEIR RESPECTIVE COUNTRIES THE OPPORTUNITY OF DOING SO WITH THEIR GOVERNMENT'S CONSENT.

ll. The memorandum states: "Finally, there are competent institutions already in existence, in which the United States Government participates and which are able to be of considerable assistance to countries desiring loans for economic development. The International Monetary Fund, the International Bank of Reconstruction and Development, the Export-Import Bank and the International Cooperation Administration, are actively working at promoting international economic stability and growth. While the work of these institutions is carried on on a smaller scale than that envisaged by the corporation proposed by the Middle East Settlement Committee, it does not involve the difficulties and obstacles foreseen in connection with the concept of the "World Development Corporation."

THESE ARE FINE INSTITUTIONS. THEY UNQUESTIONABLY HAVE ACCOMPLISHED MUCH CONSTRUCTIVE WORK. HOWEVER, WHAT ASSETS HAVE WE TO SHOW FOR THE BILLIONS SPENT FROM JULY 1, 1940 TO JUNE 30, 1955:

IN OUR OPINION EVERY RECIPIENT COUNTRY SHOULD SECURE US WITH SOMETHING TANGIBLE IN RETURN FOR ECONOMIC FINANCING. MANY OF THESE COUNTRIES RECEIVING OUR AID HAVE BEEN BALANCING THEIR BUDGETS AND REDUCING TAXES WHILE OUR OWN BUDGET, BECAUSE OF OUR PRESENT GIVEAWAY PROGRAM, SHOWS A DEFICIT AND OUR TAXES KEEP GETTING HIGHER. WE HAVE EXTENDED HELP TO MANY NATIONS WHICH ARE IN A BETTER FISCAL POSITION THAN WE ARE. OUR COMMITTEE IS OLD-FASHIONED--WE BELIEVE CHARITY BEGINS AT HOME.

ALSO, WHAT DID WE GET IN RETURN FOR THE FOLLOWING "MUTUAL AID"?

CHINA		٠	٠		٠		٠	•	٠	٠	\$ 2,861,376,000.00
CZECHO											
YUGOSI	A	II	A		•						750,730,000.00
RUSSIA	1										11,241,614,000.00

THIS IS A LOT OF MONEY TO DOLE OUT WITH NO "HARD SECURITY". WE BELIEVE OUR PRESENT FOREIGN AID SPENDING IS EXTRAVAGANT, WASTEFUL AND MOST UNFAIR TO THE AMERICAN TAXPAYER. THE U.S. TAX LOAD EQUALS THAT OF ALL FREE NATIONS COMBINED. WE HAVE A FEDERAL DEBT TWICE THAT OF ALL FREE NATIONS. OUR DOLLAR IS WORTH ABOUT HALF OF ITS PREWAR VALUE. THE VALUE OF LIFE INSURANCE POLICIES, TIME DEPOSITS, E, F AND G SAVINGS BONDS HAS BEEN CUT 50%. THIS HAS BEEN A HARDSHIP FOR THE OLD AGE PENSIONER AND THE THRIFTY AMERICANS SAVING FOR THEIR DECLINING YEARS. TO USE THE VERNACULAR, WE THINK AMERICANS HAVE BEEN PLAYED FOR "PATSIES" LONG ENOUGH.

OUR PLAN SUGGESTS AN OPERATION, FREE OF POLITICS, FOR MUCH LESS OF THE TAX-PAYERS' MONEY; AND WE THINK OUR CONCEPT IS MORE PRACTICAL FROM THE STANDPOINT OF RESULTS.

Respectfully,

MIDEAST SETTLEMENT COMMITTEE

E. M. GREENWOOD (Signed)

E. M. Greenwood, Chairman The Shoreham Hotel Washington, D. C.

****THIS \$108,847,779,000.00 DOES NOT INCLUDE UNCLE SAM'S CAPITAL INVESTMENT IN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AMOUNTING TO 635 MILLION (\$635,000,000.00) DOLLARS. THE INTERNATIONAL MONETARY FUND--2,750 MILLION (\$2,750,000,000.00) DOLLARS, NOR THE EXPORT-IMPORT BANK.

ADDENDUM SENT TO MR. ROBERT MURPHY MARCH 26TH (add to page 2, point 5 after "ASSISTANCE AND COOPERATION DO NOT CONSTITUTE EXPLOITATION."

FOREIGN NATIONS DO NOT FEAR AMERICAN INVESTMENTS AND BUSINESSMEN; THEY FEAR AMERICAN POLITICS.

ALSO, IN OUR OPINION THE UNITED STATES GOVERNMENT REALLY SHOULD NOT CORNER THE MARKET ON FOREIGN AID. MAYBE WE SHOULD ENCOURAGE A LITTLE COMPETITION, SO THAT EVERY COUNTRY MAY KNOW AND REALIZE IT IS NOT THE THOUGHT OR DESIRE OF OUR CORPORATION TO "EXPLOIT THE ASSETS AND RESOURCES OF OTHER NATIONS." LET US SUGGEST TO ANY NATION, LARGE OR SMALL, WISHING TO HELP THE CAUSE OF WORLD PEACE AND ECONOMIC DEVELOPMENT, THAT THEY TOO ISSUE THEIR OWN PEACE BONDS TO SECURE CAPITAL TO RETIRE THEIR WAR INDESTEDNESS AND ASSIST IN A WORLD DEVELOPMENT PROGRAM BY RELOCATING PEOPLE FROM EXPLOSIVE AREAS. GREAT BRITAIN, FRANCE, CANADA, COULD HAVE THEIR OWN WORLD DEVELOPMENT-PEACE BOND PROGRAM. LET'S SPREAD FOREIGN AID AROUND A LITTLE BIT. COMPETITION IS THE LIFE OF ALL TRADE. WHY SHOULD "UNCLE SAM", HAVE THIS EXCLUSIVE CONCESSION?

March 24, 1957

The Honorable Robert Murphy Deputy Under Secretary of State Washington, D. C.

Dear Mr. Murphy:

Too much time has been lost since December 15th when Egypt accepted my proposals for the settlement of all problems over there. The situation is explosive and calls for immediate action.

At our own expense we are prepared to set up the World Development Corporation at once, and secure twenty-four American leaders of finance and industry to comprise our Board of Directors. They shall serve without compensation and be approved by the Senate Foreign Relations Committee and the House Foreign Affairs Committee, or any other approval you deem necessary.

We shall confirm the deal I have made with Egypt. This will settle the Suez Canal, Arab-Israeli Conflict and Refugee problem immediately. A trial issue of Peace Bonds shall be authorized to cover the Egyptian loan and possibly one to Israel. All we ask our government to do is to guarantee the bonds and make them tax exempt. There shall be no disbursement of funds until approved by the committees mentioned. This first trial balloon will prove the practicability of our plans.

I would appreciate the opportunity of discussing this matter with you personally at your earliest possible convenience.

Sincerely yours,

MIDEAS SETTIMENT COMMITTEE

EM

Greenwood, Chairman

EMG: P

Attached is our reply to your memorandum.

MIDEAST SETTLEMENT COMMITTEE

PROPOSAL FOR

WORLD PEACE BONDS

(TO BE MARKETED AND PROCEEDS USED TO FINANCE WORLD PROJECTS)

WE HAVE HAD LIBERTY BONDS, WAR BONDS, DEFENSE BONDS, SAVINGS BONDS AND NOW IT IS APROPOS FOR AMERICA AND THE WORLD TO HAVE "WORLD PEACE BONDS", THE PROCEEDS OF WHICH SHALL FINANCE SPECIFIC PROJECTS OF FOREIGN COUNTRIES, OPEN UP UNDEVELOPED AREAS, AND RELOCATE PEOPLE SEEKING NEW HORIZONS AND OPPORTUNITIES.

FIRST ISSUE \$75,000,000,000 (SEVENTY-FIVE BILLION DOLLARS). NO VINTEREST FOR FIRST 5 YEARS; THEREAFTER 3% PER ANNUM. FROM THIS FIRST ISSUE E, F AND G SAVINGS BONDS (APPROXIMATELY 50 BILLION DOLLARS) CAN BE RETIRED OR EXCHANGED. PRESENT HOLDERS WILL HAVE AN OPPORTUNITY TO RECOUP THE 50% "SHRINKAGE" IN VALUE CAUSED BY OUR PRESENT INFLATION. THIS WILL SAVE OUR GOVERNMENT \$1,625,000,000 (ONE BILLION SIX HUNDRED TWENTY-FIVE MILLION DOLLARS) PER YEAR IN INTEREST, AND WITH CONVERSION REDUCE OUR NATIONAL DEBT CONSIDERABLY.

WITH EACH \$1,000** BOND THERE WILL BE GIVEN ONE SHARE OF COMMON STOCK THAT WILL PARTICIPATE IN PROFITS OF "WORLD DEVELOPMENT CORPORATION", WHICH PROFITS WILL BE DERIVED FROM OIL, MINERAL AND LAND GRANT CONCESSIONS GIVEN TO THE CORPORATION BY THE BORROWING NATION.

THESE BONDS SHALL BE GUARANTEED BY THE U. S. GOVERNMENT AND SOLD TO THE AMERICAN PUBLIC AND TO PEOPLES OF ALL NATIONS WISHING TO INVEST IN WORLD PEACE AND SECURITY. (THERE IS MUCH WEALTH AND PRIVATE MONEY AVAILABLE OUTSIDE THE U. S. THAT CAN BE CHANNELED INTO THESE "PEACE BONDS".) THEY SHALL BE AN ELIGIBLE INVESTMENT FOR ALL BANKS, INSTITUTIONS, TRUSTS, ETC.

BONDS AND THE COMMON STOCK SHALL BE TAX EXEMPT FOR FIRST 30 YEARS FROM ALL GOVERNMENT INCOME AND INHERITANCE TAXES AND ALL COUNTY AND STATE TAXES.

ALTHOUGH THE BONDS WILL BE MARKETED WITHIN A YEAR, IT WILL TAKE MUCH TIME BEFORE FUNDS ARE DISBURSED. U. S. GOVERNMENT SHALL HAVE USE OF ALL INTERIM MONEY.

PROCEEDS FROM BONDS WILL HELP UNDEVELOPED COUNTRIES, PUTTING THEM ON SELF-SUPPORTING BASIS, AND IMPROVE INTERNAL ECONOMY OF EACH BORROWING NATION, PROVIDING MORE INDUSTRIES, OPPORTUNITIES, PAYROLLS AND A HIGHER STANDARD OF LIVING. THIS MONEY WILL AFFORD MILLIONS OF "HAVE NOTS" WITH NEW HOPES AND OPPORTUNITIES BY RELOCATING THEM IN NEW AREAS.

THE SALE OF THESE BONDS WILL BECOME THE BEST GUARANTEE AGAINST INFLATION, NOT ONLY IN AMERICA BUT IN ALL COUNTRIES THROUGHOUT THE WORLD.

THESE BONDS WILL ELIMINATE THE NECESSITY OF PRESENT U. S. GOVERNMENT FOREIGN AID AND SPENDING.

WITH MILLIONS OF PEOPLE THROUGHOUT THE WORLD INVESTING IN THESE BONDS AND HAVING A PERSONAL FINANCIAL STAKE IN WORLD PEACE MUCH OF THE THREAT OF WAR WILL BE ELIMINATED. WITH PERMANENT PEACE MORE ASSURED, ALL DEFENSE BUDGETS CAN BE GREATLY REDUCED.

THESE BONDS WILL BE A PATRIOTIC INVESTMENT AS WELL AS PROFITABLE. PROCEEDS CAN ALSO BE USED TO ELIMINATE STRIFE AND MINORITY GROUP PROBLEMS HERE IN U. S.

RESPECTFULLY SUBMITTED,

WELLING COMMITTEE

SHOREHAM HOTEL

WASHINGTON, D. C'

**CONVERTEBLE INTO AN ADDITIONAL SHARE OF COMMON STOCK ANY TIME WITHIN FIVE YEARS. PROFITS FROM CORPORATION COULD BE ENOUGH TO MAKE THIS FEATURE ATTRACTIVE.

MIDEAST SETTLEMENT COMMITTEE

PLAN AND PROPOSALS

(GENERAL)

1. ESTABLISH WORLD DEVELOPMENT CORPORATION (QUASI-GOVERNMENT).

DIRECTORS SHALL COMPRISE LEADERS OF AMERICAN FINANCE AND INDUSTRY. THEY SHALL SERVE WITHOUT COMPENSATION. THESE REPRESENTATIVES OF AMERICAN LEADERSHIP SHALL HELP OTHER COUNTRIES PROSPER IN THE PROVEN AND SUCCESSFUL AMERICAN MANNER.

PURPOSES OF THIS CORPORATION SHALL BE TO ASSIST AND FINANCE PROJECTS FOR OTHER COUNTRIES THROUGHOUT THE WORLD; TO GIVE TECHNICAL ADVICE AND "KNOW-HOW" TO ALL COUNTRIES WANTING SUCH HELP.

LOANS WILL BE MADE BY THIS CORPORATION TO NATIONS DESIRING LOANS ON A STRAIGHT BUSINESS BASIS (NO POLITICAL TIES OR RESTRICTIONS), IN AMOUNTS THAT CAN BE COMFORTABLY AMORTIZED OVER PERIODS OF TIME AGREED UPON. ALL LOANS SHALL BE ADEQUATELY GUARANTEED AND SECURED BY THE BORROWING NATION. THEY SHALL BE MADE ON A BASIS OF ECONOMIC ASSISTANCE AND COOPERATION, FOR PURPOSES OF INTERNAL DEVELOPMENT--NOT EXPLOITATION.

EVERY NATION HAS ASSETS IN THE FORM OF CONCESSIONS AND NATIONAL RESOURCES TO PLEDGE AS SECURITY, AND WILL GLADLY DO SO IN RETURN FOR NEEDED FINANCING OF PROJECTS THAT WILL HELP THEIR INTERNAL ECONOMY AND MAKE THEM SELF-SUPPORTING.

2. THERE SHALL BE MARKETED A "WORLD PEACE BOND" ISSUE LARGE ENOUGH TO RETIRE PRESENT U. S. SAVINGS BONDS AND COVER NECESSARY LOANS AND FINANCING CONTEMPLATED BY THE *CORPORATION.

NO INTEREST WILL BE PAID ON THESE BONDS FOR THE FIRST 5 YEARS; THEREAFTER THEY WILL CARRY A 3% PER ANNUM RATE.

WITH EACH \$1,000** BOND WILL BE GIVEN ONE SHARE OF COMMON PARTICIPATING STOCK. THIS STOCK WILL SHARE IN THE PROFITS OF THE CORPORATION. PROFITS WILL BE DERIVED FROM MINING, OIL, LAND GRANTS, DEVELOPMENT PROJECTS AND ALL CONCESSIONS GIVEN TO THE CORPORATION BY BORROWING NATION.

THESE BONDS WILL BE ELIGIBLE FOR INVESTMENT BY BANKS, INSURANCE COMPANIES, TRUSTS, STATES, COUNTRIES AND MUNICIPALITIES, AND WILL BE GUARANTEED BY THE U. S. GOVERNMENT.

THE BONDS AND THE COMMON STOCK SHALL BE TAX EXEMPT FROM EVERY TAX (U.S., COUNTY, STATE, INHERITANCE, ETC.) FOR 30 YEARS. ENHANCEMENT IN VALUE OF COMMON STOCK SHALL BE FREE FROM CAPITAL GAINS, INCOME TAX, ETC.

- 3. TO HELP ALL UNDEVELOPED NATIONS AND TERRITORIES WISHING DEVELOPMENT AND ADDITIONAL IMMIGRANTS (SOUTH AMERICA) THE U. N. AND THE U. S. WILL LET THE BARS DOWN IN ALL COUNTRIES. THIS WILL ALLOW ALL PEOPLE WISHING TO LEAVE THEIR RESPECTIVE COUNTRIES THE OPPORTUNITY OF DOING SO AND EMIGRATING TO ANY OTHER COUNTRY WISHING AND DESIRING TO TAKE THEM.
- 4. NEGOTIATE WITH SOUTH AMERICAN COUNTRIES TO RECEIVE IMMIGRANTS. THE CORPORATION, IN RETURN FOR CONCESSIONS AND LAND GRANTS, WILL AGREE TO DEVELOP VAST AREAS WITH NEW HOMES, INDUSTRIES, POWER, IRRIGATION, ROADS, SCHOOLS, HOSPITALS, ETC., ALL TO ACCOMMODATE NEW IMMIGRANTS.

THE CORPORATION WILL AGREE TO SPEND ALL NECESSARY FUNDS FOR SUCH DEVELOPMENT AND IMPROVEMENTS, AND WILL BE GIVEN TAX CONCESSIONS FOR FIRST 30 YEARS FROM RECIPIENT COUNTRY.

**CONVERTIBLE INTO AN ADDITIONAL SHARE OF COMMON STOCK ANY TIME WITHIN FIVE YEARS. PROFITS FROM CORPORATION COULD BE ENOUGH TO MAKE THIS FEATURE ATTRACTIVE.

5. FROM FIRST BOND ISSUE UNDERWRITE EXPENSE OF RELOCATING 5,000,000 PEOPLE FROM EUROPE, IRON CURTAIN COUNTRIES, MIDEAST, ETC.

APPROXIMATE BREAKDOWN:

TRANSPORTATION & MISCELLANEOUS FOR RELOCATING 5,000,000 PEOPLE AT \$500 EACH. 20-YEAR LOANS, BEARING 4% INTEREST.

\$2,500,000,000

1,000,000 NEW HOMES AT \$5,000 EACH. 30-YEAR MORTGAGES. 4% INTEREST.

\$5,000,000,000

ROADS, SCHOOLS, HOSPITALS, PÓWER, IRRIGATION AND OTHER NECESSARY IMPROVEMENTS. MORTGAGES AND REVENUES TO BE OWNED BY CORPORATION.

\$5,000,000,000

AVAILABLE FOR LOANS TO OTHER COUNTRIES, ALL ADEQUATELY GUARANTEED AND SECURED.

\$12,500,000,000

\$25,000,000,000

6. CURTAIL U. S. "HANDOUT" AID AS ALL FUTURE FINANCING WILL BE CARRIED OUT ON LEGITIMATE BUSINESS LOAN BASIS BY THE CORPORATION. THIS WILL SAVE AMERICAN TAXPAYERS MILLIONS OF DOLLARS PRESENTLY BEING SPENT.

FORESEEABLE ADVANTAGES OF ENTIRE GENERAL PLAN:

SPENDING OF FUNDS FROM PART OF FIRST BOND ISSUE (25 BILLION DOLLARS) WILL PROVE A BOON TO AMERICAN BUSINESS AND OTHER NATIONS' ECONOMY.
MUCH OF THIS MONEY WILL BE USED TO PURCHASE AMERICAN PRODUCTS, MATERIALS AND MACHINERY, THEREBY PROVIDING MORE PAYROLLS, MORE BUSINESS, MORE PROFITS, MORE TAXES.

BY THE DEVELOPMENT OF PREVIOUSLY DORMANT AREAS NEWER AND GREATER MARKETS FOR OUR OWN PRODUCTS WILL COME INTO BEING, THUS INCREASING OUR OWN INCOME AND PROSPERITY. THE ECONOMY OF OTHER NATIONS SHALL LIKEWISE BE ENHANCED BY CONTEMPLATED INVESTMENTS IN THEIR UNDEVELOPED AREAS.

CREATE A MASSIVE TAX ACCOUNT AFTER 30 YEARS FOR OUR OWN TREASURY, THUS ASSURING CONTINUED PROSPERITY.

WITH THE THOUSANDS OF PEOPLE INVESTING IN THESE PEACE BONDS IT WILL DO MUCH TO ELIMINATE THE THREAT OF INFLATION IN ALL COUNTRIES.

MANY FORMS OF FOREIGN AID CAN BE ELIMINATED, THUS SAVING THE U. S. SEVERAL BILLIONS OF DOLLARS EACH YEAR ALLOWING BUDGET CUT.

BOND CONVERSION AND EXCHANGE WILL REDUCE U. S. NATIONAL DEBT AND SAVE U. S. \$1,625,000,000 INTEREST EACH YEAR.

MORE EFFECTIVELY SECURE THE COOPERATION AND RESPECT OF OTHER NATIONS, THUS PRESERVING PEACE AND MAKING "BETTER FRIENDS AND INFLUENCING PEOPLE" CONSTRUCTIVELY.

HELP ELIMINATE THREAT OF WAR AND SAVE U. S. AND OTHER NATIONS FURTHER BILLIONS IN DEFENSE EXPENDITURES, PARTICULARLY IN THE MIDEAST. MONEY NOW SPENT FOR DEFENSE AND WAR PURPOSES BY ALL NATIONS CAN BE USED FOR THEIR INTERNAL ECONOMY.

ELIMINATE MILLIONS PRESENTLY BEING SPENT BY U.N. AND U.S. ON REFUGEES.

MAKE 5 MILLION PEOPLE HAPPIER BY GIVING THEM NEW LIFE OF SECURITY AND CONTENTMENT, NEW HOPES AND AMBITIONS.

THE PLAN WILL DO MUCH TO COMBAT COMMUNISM AND MAKE U.S. LEADERSHIP DOMINANT THROUGHOUT THE WORLD.

E.M. GEENWOOD, CI

MENT COMMITTEE

WASHINGTON, D. C.

(2)

E. M. Greenwood, Chairman of the Mideast Settlement Committee, just returned from Cairo where he had constructive talks with President Nasser, has submitted definite plans and proposals to President Eisenhower, Secretary Humphrey, the Senate Foreign Relations Committee and the State Department, that, in his opinion, will answer all of the Mideast difficulties--Suez Canal, Arab-Israeli conflict, refugees--and secure the constructive cooperation of the Middle East countries with the West.

Greenwood states that these Plans and Proposals will also solve the problems confronting the 192,000 Hungarian refugees who have fled Communist rule since last October.

Implementation of plans submitted will eliminate much of our foreign aid spending, allow necessary cuts in our budget, and be a brake on the inflationary trend prevailing here and in other countries. It will mean the financing of national security can be put on a profitable business basis. Through the suggested sale of "Peace Bonds" everybody will have the privilege of participating in a world peace offensive.

From the first issue of Peace Bonds, Greenwood recommends the retiring of all outstanding E, F and G Savings Bonds. This will save our government over a billion and a half dollars (\$1,500,000,000) annual interest. Because of our present inflation the value of E, F and G Savings Bonds has decreased 50%. The privilege of converting them to "Peace Bonds" will afford E, F and G Bondholders an opportunity to recoup this "shrinkage". Conversion of these bonds will also materially reduce our national debt.

In Greenwood's opinion there is no longer any need of giving aid to foreign nations at the expense of the American taxpayer. Much of the One Hundred Sixteen Billion Dollars (\$116,000,000,000) given as Lend-Lease, Grants in Aid, and Loans, since July 1, 1940, can be saved, according to Greenwood.

Foreign aid and cooperation with all countries can be handled on a sound business basis, and this method is preferable to the leaders of other countries. "Nations, like people, prefer to borrow money legitimately on a straight financial basis, without political strings and restrictions." George M. Humphrey, Secretary of the Treasury, has proposed that all future U. S. economic foreign aid be in repayable loans.

Premier Nu of Burma recently stated: "BURMA IS WILLING TO ACCEPT UNITED STATES ECONOMIC AID, BUT WE PREFER TO PAY FOR IT, AS THIS FORMS A MORE SOLID BASIS OF FRIEND-SHIP THAN ACCEPTANCE OF GIFTS." Premier Nu is voicing the real feelings of all nations toward economic cooperation.

It is our opinion that the American people would rather loan five dollars well secured and get it all back, than to dissipate one dollar with no return. This method would better assure the cooperation, respect and loyalty we so earnestly desire from the rest of the world. Dollars cannot buy affection.

Associate Justice William O. Douglas of our Supreme Court publicly stated on January 26, 1957: "WE MUST THINK MORE IN TERMS OF PEOPLE AND THEIR DREAMS OF FREEDOM THAN IN TERMS OF GUNS AND DOLLARS. FRIENDSHIPS ARE MADE NOT BY LAVISH GRANTS BUT BY KINDLY ATTITUDES AND COMMON OBJECTIVES."

The operation of our plan will mean that nations desiring adequate financing will be able to secure it in a businesslike manner with dignity, without political entanglements. Our plan will open a new era for answering many of the world's problems, and save America from bankruptcy.

MIDEAST SETTLEMENT COMMITTEE

E. M. Greenwood, Chairman Shoreham Hotel Washington, D. C.

Riches of Sahara May Aid France

By Edmond Taylor

PARIS-One of the few peoples almost untouched by twentieth - century civilization are the Touaregs of the Sahara-the veiled men who covhara—the veiled men who cover their faces with a square of indigo cloth which dyes their faces blue, and who live a nomadic life among the savage barren rocks of the Hoggar Now French prospectors have returned to Paris to report that there is uranium in the Hog-

gar.
This is only one detail in a revised picture of the 3 million square miles of arid sand, rayel, rock and mountain which make up the Sahara Desert. Post war exploration has shown this riay be one of the world's richest storehouses of natural resources. It has also aroused the acquisitiveness of that a dozen adjoining territo aroused the acquisitiveness of half a dozen adjoining territories which would like to get their hands on some or all of the Sahara, at present held in its near entirety by France. The stage is set for a clash of rivalries over the Sahara which could create a tangle compared to which France's present headaches in Algeria would seem insignificant. insignificant.

Oil and Minerals There

Initial reports of the potentialities of the Sahara were widely discounted, but it has begun to appear that the reality will exceed the most exuberant forecasts. Pierre Guillaumat, head of the French Oil Research Bureau, says that within three years the Sahara can produce 9 million tons of oil a quarter of France's annual consumption) and in 15 can supply quarter of France's annual con-sumption) and in 15 can supply all France's needs. The latest researches also indicate that the Sahara probably encloses at least as much iron as the rich Lorraine deposits. The Tin-dour mines alone can produce between five and 10 million to yearly, one-fourth of France present needs. present needs.

The Sahara possesses, in commercially profitable amounts, and positions, manganese, coal, copper, lead and zinc. Gold is present, but has hitherto been considered irresourceable in the Sahara ince gold mining requires is a quantities of water. But recent explorations indicate that there are several great underground lakes which can be tapped by modern mathematics. can be tapped by modern meth-

Development of the Sa-hara's oil will reduce Europe's dependence on Middle East oil

Oil Oil EGYPT LIBYA ALGERIA Copper (FRENCH WEST AFRICA FRENCH EQUATORIA Gulf of Guinea

considered irrecoverable in the Map locates sources of Sahara's wealth, eyed by France.

From Jul	у 1,	19	45	to	June	30.	195	5
we gave:	(1	end	-I.e	25	e 3: 0	Frant	s in	Aid)
France .					\$4,1	19,3	24.0	00.00
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Amazon Jungle of Peru Is Site of Oil Discovery

pecial to The New York Times. LIMA, Peru, March 12-Oil has been struck by El Oriente Petroleum Company near Contamana, ninety-three miles north of Pucalipa on the Ucayali River, a main tributary of the Amazon. It is the first strike in Peru's Amazon region on concessions granted to fif-teen companies under a liberal 1952 petroleum law.

1952 petroleum law.

The discovery, made on March 10, was confirmed today by a company official. The company, Peruvian owned, is wildcatting in cooperation with German interests. The well is expected to produce about 500 beneals and I I was the third barrels a day. It was the third drilled on the company's exploration concessions of more than 3.700.000 acres.

The only company now producing in Peru's eastern jungle

is Ganso Azul, which has drilled eighteen wells since 1938. The Amazon concessions total some 35,000,000 acres.

NEW URANIUM SOURCE

Radioactive Coffinite Found on New Zealand Island

LONDON (Science Service)-The highly radioactive uranium mineral, coffinite, has been discovered in rocks of the Buller rge region of the South Island of New Zealand, J. J. Reed and G. G. Claridge of New Zealand have reported.

The uranium mineral, first The uranium mineral, first discovered in 1955 on the Colorado Plateau in the United States, has also been made in the laboratory. Coffinite is a uranous silicate with the chemistic formula 1950 and contains ical formula USiO4 and contains as much as 61 per cent uranium. Highest amounts of uranium in minerals are found in the urani-nites, with about 85 per cent.

New Zealand. . \$2,300,000.00

U. S. Interests Acquire Control Of British Gold Concern in Brazil

By TAD SZULO

RIO DE JANEIRO, Jan. 29-1 in intriguing financial mystery here these days is the identity of the United States interests who acquired stock control of a British company in Brazil, and with it what may be one of the hemisphere's most important ifron deposits,

According to information reaching here from London, a United States group has quietly purchased in recent months a majority of the shares of the St. John d'el Rey Mining Company,

stockholders, and that four nominees of this stockholder group recently had been elect-ed directors. One of these is H. Thomas Osborne, of the New York Stock Exchange member firm of Osborne & Thurlow.

hemisphere's most important fron deposits, to information reaching here from London, a United States group has quietly purchased in recent months a majority of the shares of the St. John d'el Rey Mining Company, which has been producing gold in Minas Gerais State for 126 years, but which since last year has been losing money.

The important thing about the 130-square-mile property some iron or steel concerns on proposals for developing the property's iron ore, ha said. The important thing about the 130-square-mile property some iron or steel concerns on proposals for developing the property's iron ore, ha said. He stressed that no such negotiations were being conducted now. He declined to identify the stockholders except to say the group was a private syndicate.]

The St. John d'el Rey property also has bauvité and marche in the long of the rich Mesabi Ranges in the United States. Other veins have gold ore yields about twelve grams of gold. The company also produces silver.

The area lies near the sorter said in New York that the United States in the 10 inted States in the 10 interest in the 20 interests in New York that the 10 intention in New York that [A spokesman for Mr. Os-

Jossible.

[In London, the St. John del Rey concern announced that at least half of the company's stock was held by or on behalf of United States of the states is produced siver.

The area lies near the so-called "iron quadrangle" of Minas Gerais, which is believed to have two billion tons of iron or and now produces about 2,-

Peru \$13,394,000.00

CAIRO, Marck 4 W-Egypt today announced plans to reclaim 1.2 million acres of wasterland without foreign financial or technical aid.

The project would restored the desert land south of Alexandria which was one of the chief granaries of the ancient An announcement said the project would take 10 years. The first five years would be devoted to forming a reservoir by digging a canal and tapping the river Rosetta, a tributary of the Nile. Cost was estimated at \$50.4 million.

Then, during another five-year are reclaimed at a cost of \$420 an acre.

6-14. 840/5.2657

Dear Mr. Greenwood:

I wish to acknowledge receipt of your Ketter of May 26, 1957.

While the views which you have expressed to officers of the Department following your recent return from Caire are appreciated, I am instructed to state that the Department has nothing further to add to its memorandum enclosed with Mr. Murphy's letter of March 21, 1957.

Sincerely yours,

For the Secretary of States

William C. Burdett
Acting Director
Office of Near Eastern Affairs

Mr. E. M. Greenwood, 217 Pine Street, Seattle, Washington.

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TO: Secretary of State

FROM: Tel Aviv

NO: 1376, May 31, 9 p.m.

o, May 31, 9 p.m.

SENT DEPARTMENT 1376, REPEATED INFORMATION CAIRO 267 AMMAN 252

All papers May 30 headline killing of one farmer and wounding of two when tractor ran over mine in fields of Kisufim settlement which borders on Gaza strip. Tractor was pulling trailer taking night workers from fields back to settlement when it struck mine one kilometer from Gaza border. IDF spokesman stated mine plastic type, other men had passed same spot previous evening unharmed indicating mine had been laid during night, and tracks of two infiltrators wearing rubber shoes led from Gaza border to place of explosion and back to border.

Foreign Ministry made statement May 30 that GOI views incident as "hostile act of very serious nature" pointing out this is first death from Fedayeen activities along Gaza border since Isreali evacuation of Gaza area. In view of Foreign Ministry, recurring Fedayeen raids from strip show Egypt is taking no action to prevent incidents and that UNEF security measures, including erection of fence, have not materialized. Foreign Ministry statement said Israel would inform UNSC of incident but would not call for special SC meeting.

Press editorial comment this morning stresses theme of UN and UNEF responsibility for maintaining calm on border. Foreign Ministry official confirmed to Embassy seriousness with which GOI views incident, but indicated that GOI is still not sure Nasser has ordered organized renewal of Fedayeen activity. He indicated belief that this incident and others less serious preceding it may simply reflect Egyptian desire to (A) show Arab refugees in Gaza strip that fight goes on, and (B) show Israel that score is not yet settled.

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The Ambassador of Israel presents his compliments to the Honorable the Secretary of State and has the honor to draw the Secretary's attention to the latest Egyptian outrage resulting in the murder of one Israeli and the wounding of two others.

On May 29, 1957, at 5.15 a.m. a tractor of Kissufim hit a land-mine at a distance of about three miles from the Gaza strip border. The driver was killed while two others were wounded. The track taken by the tractor has been in daily use.

The investigation revealed that the mine had been laid the previous night.

Tracks of two marauders wearing rubbershoes led from the border to the scene of the crime
and back. The mine was of a plastic type which is
in use in the Egyptian army.

JUI 16 1957

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MAY 3 1 1957

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The Secretary of State presents his compliments to
His Excellency the Ambassador of Israel and has the henor
to acknowledge the receipt of the Ambassador's note of
May 31, 1957, relating to recent incidents occurring on
Israel territory.

The Government of the United States believes that

pesceful relations can best be established by full

compliance by all of the parties with the provisions of

the General Armistice Agreements. It is believed that

when infractions of the Armistice Agreements occur,

prompt reference to the Mixed Armistice Commission would

be helpful in assertaining the facts and preventing

future violations.

Department of State,

Washington,

June 4 1957

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674. 844/

QL Jun 4 FOLLOWING IS OFFICIAL SUMMARY FOREIGN MINISTRY STATEMENT TO PRESS RE RECENT ISRAEL CASUALTIES ON MINED ROADS NEAR GAZA STRIP:

"RECURRENCE MINING INCIDENTS ON ISRAELI ROADS NEAR GAZA BORDER ARE AMPLE PROOF ANY ASSURANCES GIVEN BY EGYPT WN UN REGARDING ALLEGED DESIRE FOR TRANQUILITY WERE ENTIRELY DISINGENUOUS.

"LITTLE ATTENTION ON WHOLE HAS BEEN GIVEN TO LONG LIST OF RENEWED INCURSIONS BY ARMED INFILTRATORS INTO ISRAEL TERRITORY. SINCE ISRAEL'S EVACUATION OF GAZA AREA THESE INCIDENTS HAVE NUMBERED MORE THAN 50 IN ALL. BUT BECAUSE MOST OF THEM WERE NOT ACCOMPANIED BY ACTS OF VIOLENCE OR LOSS OF LIFE AND HAD AS THEIR OBJECT THEFT OF CROPS, PIPES AND OTHER PROPERTY BELONGING TO ISRAELI SETTLERS, THEY HAVE NOT BEEN TAKEN SERIOUSLY BY OPINION OUTSIDE ISRAEL. NOW IS CLEAR THAT JUST AS IN PAST, THESE CRIMINAL INCURSIONS ARE PRELUDE TO MORE SINISTER AND DANGEROUS CN ACTIONS FOR WHICH EGYPTIAN AUTHORITIES BEAR DIRECT RESPONSIBILITY O AND MUST BE CHARGED WITH MORE THAN PASSIVE CONNIVANCE. PLASTIC MINES ARE NOT BEING PEDDLED IN BAZAARS AND MINELAYING REQUIRES SPECIAL MILITARY TRAINING.

" THERE IS EVERY INDICATION NASSER HAS DECIDED GRADUALLY TO RESUME GUERILLA WARFARE AGAINST ISRAEL. ALREADY WE HAVE SUFFERED SEVEN CASUALTIES FROM SNEAK MINING ATTACKS AND SITUATION OF TENSION IS BEING DELIBERATELY CREATED AND STEPPED UP BY EGYPT ALONG GAZA BORDER. UNEF HAS SO FAR NOT BEEN ABLE TO PREVENT

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-2-1381, JUNE 3, FROM TEL AVIV

THESE UNPROVOKED ATTACKS AND TO STOP INCURSIONS. IN THIS CONNECTION CERTAIN PARTIAL SECURITY MEASURES INTENDED BY UNEFD TO MAKE MORE DIFFICULT CROSSING OF LINES BY MARAUDING ELEMENTS HAVE STILL NOT BEEN TAKEN.

"!I SEEMS NASSER FEELS ENCOURAGED TO TURN HIS DESTRUCTIVE ATTENTION TO WHAT HE CONTINUES TO REGARD AS GAZA FRONT OF HIS WAR AGAINST ISRAEL, PERHAPS IN HOPE THAT FEDAYEEN WILL RESTORE HIM TO GLORY, OR AT LEAST TO CENTER OF ARAB ATTENTION.

"IT APPEARS NASSER HAS NO INTENTION WHATSOEVER ABANDONING BELLIGERENCY AND IS DETERMINED TO WAGE WAR, ALBEIT ON SMALL SCALE AT PRESENT, IN DEFIANCE UN AND CHARTER. HE ALSO DOES NOT SEEM TO HAVE LEARNED ANYTHING FROM PAST EXPERIENCE. SOWING MINES ON ISRAEL ROADS MUST ULTIMATELY RESULT IN FAR-REACHING CONSEQUENCES.

" GRAVELY DISQUIETING DEVELOPMENTS IN GAZA AREA WILL BE SUBJECT OF MEETING BY ISRAEL REPRESENTATIVE WITH MEETING SCHEDULED FOR TOMORROW (MONDAY) AT UN HEADQUARTERS NEW YORK.

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NOTE: RELAYED USUN 6/3/57



Wounding of four soldiers in vehicle which struck mine near Gaza strip Friday, second such incident this vicinity less than week, provoked GOI charges uttered thru "Foreign Ministry spokesman," Egyptian assurances of its desire for border tranquillity had been proved "disingenuous", and incidents are "prelude to more sinister and dangerous actions for which Egyptian authorities bear direct responsibility." Statement added that sowing of mines on Israel roads" must ultimately result in far-reaching consequences".

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Press took most bellicose tone used since evacuation Egyptian territory. Several said Foreign Ministry references to "farreaching consequences," if incidents continue, is "veiled warning" Israel will be "forced to return to her former policy of retaliation".

All papers gave heavy play to statement and related developments: (1) Eban's reported date with Hammarskjold to protest incidents, discuss possibility of SC meeting, and consider construction of permanent barrier along Gaza border; (2) alleged arrival Sudanese battalion described as first regular Egyptian non-Palestinian troops to return to Gaza; (3) plan to press SYG for Nasser's answer, if any, to Ben Gurion's question whether Egypt intends to continue policy of belligerence

Nearly every paper, regardless of political affiliation, declared Nasser is playing with fire and risks provoking Israel to resumption retaliation policy. Sole exception was Communist KOL HAAM which headlined report as effort by "extremely militarist circles" revives retaliation policy. Papers charged UNEF with impotence and UN with neglect its responsibilities, some commentators demanding SYG insist on withdrawal Egyptian administration from Gaza.

Comment:

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674.841/6-457

CONFIDENTIAL

-2- 1383, June 4, 11 a.m. from Tel Aviv

Comment: Foreign Ministry official admitted to Embassy that uniform press reactions resulted from vigorous official inspiration. Commentators obviously encouraged to suggest GOI will not hesitate to retaliate. However, we do not believe GOI statement reveals decision has been taken to resort to military reprisals if incidents continue. Statement may be intended to exploit fully situation which provides contrast between Egyptian border control and Israel's, favorable to latter. Domestic public opinion in cases involving serious casualties is another factor impelling strong government reaction.

BAXTER

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, MISS., CHAIRMAN

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MATTHEW M. NEELY, W. VA.
SAM J. ERVIN, JR., N. C.

United States Senate

COMMITTEE ON THE JUDICIARY

June 10, 1957

ACTION is assigned to



Honorable John Foster Dulles Secretary of State Department of State Washington, D. C.

My dear Mr. Secretary:

There is enclosed herewith a letter from Dr. A. Rosenstein, Durham, North Carolina, with enclosure. I shall appreciate your replying to his inquiry as to whether or not the statement by Drew Pearson is true or false.

With all kind wishes, I am

Sincerely yours,

Sam J. Ervin, Jr.

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DR. N. ROSENSTEIN AND SON

DR. A. ROSENSTEIN, OPTOMETRIST
POST OFFICE BOX 8 ... 323 WEST MAIN STREET
DURHAM, NORTH CAROLINA

Tuesday- March 26th, 1958

Senator James Ervin, Jr., Washington, D. C. Dear Senator:

I donot know if you have seen the enclosed or not, but I thought that I would send it on to you.

Also can I ask a personal favor of you???? If you donot mind would you be so kind as to ask Secretary of State, Mr. Dulles, if the enclosed clipping encircled in red by Drew Pearson is true or not. I would like to know.....For the convenience of your reply, enclosed you will find a self addressed stamped envelope.... Thanks a thousand...

Most respectfully, yours,

Abe Rosenstein

N Probable Murder Becomes Too Much For Roosevelt Jr.

By DREW PEARSON

WASHINGTON — Franklin D. Roosevelt Jr. has decided to give up his \$60,000 contract as lobbyist of bloody dictator Trujillo of the Dominican Re-



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public. Trujillo's latest reported involvement in the disappearance of Gerry Murphy, the pilot who reputedly spirited Columbia professor Jesus de Galindez out of the USA, was too much for young Roosevelt.

However, he's having trouble with his lobbying partner, Charles Patrick, who makes a specialty of lobbying for dictators. He draws around \$75,000 a year from Spain.

Roosevelt informed Congressman Charles Porter of Oregon that he was not renewing his contract with Trujillo. But when Clark's office was asked about this, Clark said he knew of no change, later called Congressman Porter's office to say there had been on change in his and Roosevelt's contract with Trujillo.

Meanwhile, Congressman Porter has written letters to his GOP colleague, Congresswoman Katharine St. George of New York, to Col. Carroll Cone, vice president of Pan American Airways, and to Father Joseph F. Thorning, who has been active around Congress on behalf of both Trujillo and Franco, cautioning them about the medals they are getting from Trujillo. Porter has suggested that they might want to read a speech he is delivering regarding the murders of the Dominican Republic before they accept or keep their medals.

TENNESSEE TEAMSTERS

Last July John Seigenthaler, ace reporter for the Nashville Tennesseean, telephoned Dave Beck, czar of the Teamsters Union, to tell him that two of his Tennessee teamster bosses, Local 317, had police records and were up to the ears in local shenanigans. He also relayed the same message to Jim Hoffa, notorious teamsters czar for the midwest states.

Seigenthaler has yet to get an answer from either. Meanwhile, teamster activities in Tennessee are following a pattern which AFL-CIO president George Meany and most of the labor movement sincerely want to clean up, but which the boss of the world's biggest union condones.

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W. A. Smith, Nashville teamster business agent, has had numerous arrests for drunkenness and asault, but sowehow witnesses always seem to be afraid to appear againt him. In 1953 he was arrested for beating up Wallace Rasmussen, general manager of the Meadowgold Ice Cream Company. Rasmussen was all hot to press charges. But when Smith went on trial, Rasmussen refused to take the

witness stand. Teamsters' power was too great.
On Oct. 30, 1955, Smith was arrested for assaulting Frank Allen, manager of the Terminal Transport Company. As en hired an attorney to make sure the case was prosecuted. But on the morning the case came up in court the lawyer announced that he was most embarrassed, but Allen would not testify. Again the power of the teamsters was too great.

Recently, however thanks to a campaign by the

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too great.

Recently, however, thanks to a campaign by the
Nashville Tennesseean, the elimate has changed.

Teamsters Perry H. Canaday and C. B. Richardson have been convicted of murder, and other Beck and Hoffa, however, did nothing

WHY THE RUSSIAN ARMS?

WHY THE RUSSIAN ARMS?
When the fast-moving Israell Army blitzed into Egypt last fall, it found the most amazing cache of arms accumulated anyplace since World War II. Russian tanks, artillery, half-tracks, ammunition of every kind and description were spread out over the Sinai desert. The store of arms was so vast and varied that unquestionably it was to be used not only as an Egyptian base for attacking Israel, but for some kind of Russian drive to take over the Near East.

The Israeli Army wiped out or captured this ar-

The Israeli Army wiped out or captured this arsenal.

One very important point to be considered in any U.N. debate for the punishment of Israel is why this stock of arms was allowed to accumulate and whether its accumulation was not in fact an act of aggression against Israel. If, for instance, Russia stored arms 25 miles across the Mexican border from El Paso, the citizens of Texas and probably the rest of the United States would have done exactly what the Israelis did.

It's also important to note that these arms didn't get to the Egyptian-Israeli border overnight. The United States first got word they were coming one year and four months earlier—June 1955. One month later, the President met with Bulganin and Khrushchev at Geneva! Yet nothing was done during the smiles of Geneva to stop arms shipments

ing the smiles of Geneva to stop arms shipments

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ing the smiles of Geneva to stop arms shipments obviously aimed at war.

Two months later, Secretary Dulles stopped a move by Secretary of Agriculture Benson to dump surplus American cotton abroad, because, Dulles said, it would hurt America's cotton-growing friends such as Egypt.

A few months later, Dulles began to urge Naser to accept money for the Aswan Dam. Nasser played coy, said he might get the money from Russia. Dulles urged, almost begged him to take the money. Meanwhile, U. S. intelligence agents reported and American newspapers published that Russian jellots were training Egyptian pilots, that Russian technicians were training Egyptian tankmen.

All this time not a thing was done by the United States to stop the arms flow, which was sure to lead to war.

lead to war.

Note 1—These arms, incidentally, were only 25 miles from the home of Prime Minister Ben-Gurion. Egyptian jet bases were less than 30 minutes bombardment time away from Tel Aviv.

Note 2—Harry Truman told me on Feb. 21, 1956, eight months before the Israeli attack: "If I were in the White House I'd use the U.S. Sixth Fleet to stop those arms before they even got through the Bosporus."

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Ans

DR. N. ROSENSTEIN & SON 323 WEST MAIN STREET POST OFFICE BOX 8 DURHAM, NORTH CAROLINA



Dr. A. Rosenstein
Box 8
Durham, North Carolina

THIS DOCUMENT MUST BE RETURNED TO THE RM/R CENTRAL FILES

C3/F

624. 11

Dear Senator Ervin:

I have received your letter of June 10, 1957 enclosing a letter from Dr. A. Rosenstein, inquiring whether or not the statements contained in an article by Drew Pearson attached to Dr. Rosenstein's letter are accurate.

I am enclosing a memorandum dealing with the various topics raised in the article which I hope will be helpful to you in answering Dr. Rosenstein.

Sincerely yours,

For the Secretary of States

Robert C. Hill Assistant Secretary

Enclosures

- 1. Memorandum.
- 2. Newspaper elipping from Dr. Rosenstein and his letter.

The Honorable

Sam J. Ervin, Jr., United States Senate.

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- These runors were not substantiated by Genera in July 1955 and therefore were hoviet Union. However, agyptishes on terms it considered no the United States and in Septe United States indicated willingness to make sive arms available to Egyt. The Egytian which the United States effored and decided gypt the grevity with which the wiet Mes ayes die of Egypt to a in July 1955 and therewere this lack of configuration, seriousness with the Desired to Egypt, both directly and indirectly, the ceriousness with the United States would view any Egyptian deal to obtain arms from the Union. However, Egypt did complete lie negotiations with the Seriot as terms it considered more favorable them those previously offered by the terms it considered more favorable them those previously offered by the terms in and in September 1959 assessment was made of the Egyptiansent sent one of the senter rep 1955 the Israel attack on Egypties Government again raised the question community elementates were held this time the United States heard pairs Soviet arms and substantiated by the ediately upon this ampronount, the United senior representatives to Cairo to make close to United States visued this transportion. In August hald ratch the ed the first remera an appropriate subject for 1954, of obtaining ares in the Unite recognising Egypt's need F • 20 00 H
- prevent the arrival of those arms. started to arrive in Egypt, there was no action which the United States of the at that time, within the centert of maintaining perceful relations, It is older that once the arms agreement had been concluded and the arms of to arrive in Egypt, there was no action which the United States oculd
- sh astism was also taken into account since the United Statespeers United States-Agyptism relations in the interests of st peace and stability. states such as Furn an Seat Line disposal or deration the Thus, in determining thousedersties to With regard to all of employe extracts long staple settem, it was necessary to effects which such settem would have on friendly the Juden. The position of Agypt with respect to a proposal regarding the general Middle n settli begen been imerican tie politains Mer 417
- Sterting as far back as 1953 Egypt had beg I bank for Reconstruction and Development the construction of the Righ Assess Nam. the complyworder or thirted States was /EF States the early Ž.

the Egypt-Soviet Bloc arms deal became clear and it was increasingly obvious that Egypt did not propose to concentrate its resources for the construction of the High Aswan Dem. In addition, Egypt requested that our help be given on a basis which was not acceptable. Thus, the United States reluctantly reached the conclusion that Egypt's commitments under the arms deal had undermined the possibility of a sustained economic effort on Egypt's part, without which American assistance would be unavailing. On July 19 the United States informed Egypt that we could no longer maintain our offer of assistance in connection with the construction of the Aswan Dem.

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FROM

Amembassy TEL AVIV

THE DEPARTMENT OF STATE, WASHINGTON.

REF

18-2 OLI-8 IO-4 P-1 USUN-1 For Bept. Use Only CIA- 12 USIA-10 ARMY-4 NAVY-3: AIR-3 050

SUBJECT:

An Unscheduled Visit to the Site of a Gaza Strip Road Mining Incident.

Caire-1 ammaw-1 Jenusalem-1 Being Baghlad-1 Dumaseus-1

The scene of the Kisufim road mining incident (Embassy telegram

1376 of May 31, 1957), which was among the principal grievances listed by the Foreign Ministry in its warning to Egypt on June 2 (Embassy telegram 1383 of June 3, 1957), was visited by the reporting officer half a day after it occurred, and only three hours after the driver of the tractor which struck the mine died on the way to a hospital.

The visit was a coincidence. The Foreign Ministry had invited the reporting officer, who had visited the Gaza border kibbutzim last year (Embassy Despatch No. 798 of June 11, 1956), to make another trip at this time to observe for himself how the settlers and their attitudes had been affected by the events of the intervening year, including Israel's occupation of, and subsequent withdrawal from the Gaza Strip.

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In the company of Pinhas Eliav, Deputy Director of the Foreign Ministry's United States Division, the reporting officer had made two or three uneventful stops at border settlements and had arrived at Nahal Oz, the kibbutz made famous by the visits of scores of Diaspora VIPs, United Jewish Appeal promotional film crews, and American press, radio, and television commentators, where it was learned that a man had been killed at Kisufim and several soldiers or farm workers injured. The visit to Nahal vz ended abruptly, and the party left immediately for Kisufim, arriving at noon to be met by a platoon of heavily-armed soldiers who took the party, in three army vehicles, to the site of the explosion. The reporting officer was the first foreigner on the scene, although he was informed that several foreign correspondents, including an unidentified American, were expected momentarily.

The site of the incident was a mile from the libbutz and about the same distance from the Gaza border. At this sees the Gaza settlers are plowing their fields day and night. One change in shifts is made about 4:30 o'clock in the morning. accordingly, a tractor driver accompanied by two soldiers had left the kibbutz on this morning to relieve another tractor driver and the two soldiers who had stood guard through the night. The relief driver, hauling a

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REPORTER

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Page 2 of Encl. No.
Desp. No. 654
From Tel Aviv

small two-wheeled trailer on which were riding two soldiers and two farmers, made the trip into the field along a work road formed by the movement of farm vehicles from compound to fields, missed the mine. He turned his tractor over to the driver he was relieving who took this rig and the soldiers and farmers of the night shift back towards the compound. They hit the mine. Having had no experience in combat areas during the war, the reporting officer had previously not seen the site of an exploded mine. He was astonished by the evidence of its violence. Pictures taken by the party's IDF escort and supplied to the reporting officer are enclosed (one set only). One of the great drive wheels of the tractor struck the mine. tractor was a two-ton Fordson with massive rear-wheel tires, probably 40 inches in diameter. The blast tore one of the tires off the rim, blew a 30-inch section out of it, and threw it 300 feet. The rim, the steel of which looked of a gauge almost as heavy as that of a freight-car wheel, was twisted like an empty toothpaste tube. The tractor itself was lifted 30 feet and turned upside down and spun around in a 180-degree arc. The blast broke the connection with the trailer, which lurched forward into a mine crater a yard deep and about two yards square. IDF officers in the platoon described the mine as an anti-tank plastic type containing 72 kilos of TNT.

The reporting officer was shown tracks, which the IDF said were of two Arabs, leading to the border where, they said, the perpetrators were undoubtedly watching the party through binoculars. The men spoke without resentment of UNEF but described it as completely ineffectual. They pointed out that the ground in this area is torn with wadies and intersecting gulleys, making it impossible to control without a continuous line of men or an impregnable physical barrier.

To the reporting officer's questions, they admitted that the UNTSO had not been notified nor would it be because of the current Israel boycott of it and the I/E MAC, but said that UNEF would be informed and supplied with Israel's findings on the incident.

(A day or two later the reporting officer had an opportunity to question Yosef Tekoah, Foreign Ministry Armistice Affairs Adviser, on the effectiveness of their recent complaints when made outside the channels provided in the General Armistice Agreements. He admitted that there was no investigation of the Israel complaint except that of the IDF and other GOI offices. He said the present procedure is for Israel to make a careful investigation of the incidents where possible, trace the tracks of perpetrators to a point where they left Israel territory and entered the Gaza Strip, and then file the evidence collected with UNEF which could investigate on its own on the Egyptian side of the frontier. He said that the UNEF investigations were severely restricted, that with no right of search or seizure they could not enter the buildings to which the

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Page 3 ° of Encl. No.

Desp. No. 654

From Tel Aviv

tracks led, be it Beduin tent or Egyptian army installation.

(The reporting officer commented it seemed to him that Israel's refusal to recognize the existence of the G.A.A. and the agencies for investigation created under it, must be proving a serious disability for the Israelis in their efforts to establish a case of Egyptian aggression and provocation. Israel accepted a severe handicap when it went to court, so to speak, with evidence and testimony completely uncorroborated by disinterested observers. He made no reply other than to argue that there could be no question in anyone's mind of the identity of the perpetrators of incidents such as the one in Kisufim.)

The party returned to the kibbutz for lunch where it was a guest of the kibbutz Secretariat. Lunch conversation was principally diatribes by the Secretariat against the rising incidence of thefts and violence. Thousands of dollars' worth of irrigation pipes have been stolen from the settlements south of kilometer 95 and all the way to the demarcation line's intersection with the border of Sinai. Another expensive nuisance is the theft or despoilation of grain.

The water pipe is portable and moved from field to field as irrigation requirements dictate. It is impossible to bring it into the kibbutzim compounds every night and it lies in the field until morning when kibbutzniks move it again. The party was informed that the IDF had, during its brief occupation of Gaza, made a determined effort to learn the fate of the pipe, which in most cases is made of aluminum alloy. They found none, somewhat to their surprise, because inasmuch as the Arabs do little or no irrigating, they assumed the pipe was stolen out of malice and probably would be found discarded in dumps or vacant lots. On the contrary, they were unable to find any, and some of their number are conjecturing that the pipe may be beaten into crude sheets and pressed or molded into pots and pans for local sale, Israel thus providing the raw materials for a thriving local industry. The reporting officer is not competent to determine the metallurgical feasibility of this suggestion.

The Arabs harvest border fields when they can do it without too great a risk of apprehension, but if harvesting is too hazardous they have a vicious practice, according to the Secretariat, of coming in and scything off the heads of the grain over wide areas so that the kibbutzniks are not aware that this portion of the crop has been lost until they come to reap it.

The Secretariat talked in well-rehearsed clickes such as, "a man being unable to till his fields without risking his life," and "We're just simple farmers, why can't we have peace to earn our living?" - of the same sort that are heard from the lips of every

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Page 4 of
Encl. No.
Desp. No. 654
From Tel Aviv

official with whom the Embassy deals in Jerusalem. But in this setting, they have a fresh impact and force. One obtains the impression that some of the kibbutzniks enjoy a sense of martyrdom, but nevertheless there is genuine evidence among most of strain, fatigue, and worry.

The IDF is everywhere apparent the length of the border, although their activities, as far as the reporting officer could observe, are limited to patrol and guard duty. On the day the reporting officer made his trip, there was no farm activity in the kibbutzim fields fronting the border, which was not attended by IDF units armed with machineguns or automatic rifles.

The reporting officer noted a considerable difference in atmosphere between the settlements on the north and northwest demarcation lines and those south. There is very little tension in the north where kibbutznik guides informed the party that almost complete tranquillity had prevailed since the Gaza-Sinai Campaign. They said their neighbors were long-established and settled Arabs who were interested in stable, peaceful relations, and not willing on their own initiative to risk provoking the Israelis into reprisals. Farther south, it was said the refugees are more easily moved to transgressions, either by their own disgruntlement or incitement by political factions.

For the Charge d'Affaires ad interim:

William L. Hamilton, Jr. First Secretary of Embassy

Enclosures:

4 pictures (one each) of road mining incident at Kisufim Settlement near Gaza Strip - May 30. 1957

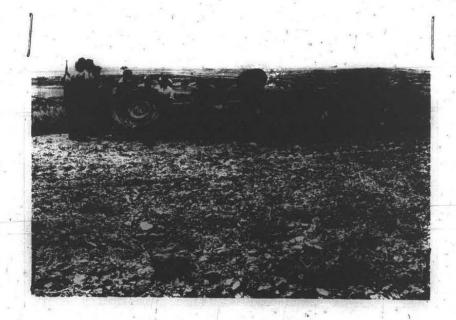
Kisufim Settlement near
Gaza Strip - May 30, 1957.

Department please pouch to: Cairo, Amman, Jerusalem, Beirut, Baghdad, Damascus, USUN.

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Desp. No. 654
From Tel Aviv



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Page 2 of Encl. No. 1
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From Tel Aviv



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Page 3 of Encl. No. 1
Desp. No. 654
From Tel Aviv



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Department of State

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CONFIDENTIAL

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Action NEA

FROM: Tel Aviv

Rec'd:

June 14, 1957 7:07 a.m.

Info RMR

Secretary of State

NO:

1414, June 13, 4 p.m.

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SENT DEPARTMENT 1414; REPEATED INFORMATION CAIRO 272, JERUSALEM 84, USUN 112

Foreign Ministry official informed Embassy officer that Burns

proposed to Dayan in their meeting here June 10 that GOI erect fence on Israel side Gaza frontier as only way circumvent Egypt's refusal consent continuous barrier on frontier itself. Dayan reportedly replied tentatively GOI would not be difficult on fence's location if UN would foot bill which Ministry official thought would be "considerable". Burns reported as replying he would submit suggestion to SYG in these terms for possible discussion with Advisory Committee

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possible discussion with Advisory Committee.

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UNLESS "UNCLASSIFIED"

DEPARTMENT OF STATE EXECUTIVE SECRETARIAT

June 26, 1957

NEA - Mr. Oulashin

For appropriate handling.

You will note that the White House has informed us that Governor Adams' schedule does not permit fulfilling Greenwood's request.

Please let me know by Friday, June 28, what disposition of Greenwood's letter is recommended.



R. G. Sturgill S/S-RO Ext. 5261

Att: Ltr to Gov. Adams dtd 6/24/57 fr Greenwood re apptmt w enclosures.

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO.	Mr. Fisher Howe				
	Director				
	Executive Secretariat				
	Department of State Washington 25, D. C.				

PROMPT HANDLING IS ESSENTIAL. WHEN DRAFT REPLY IS REQUESTED THE BASIC CORRESPONDENCE MUST BE RETURNED. IF ANY DELAY IN SUBMISSION OF DRAFT REPLY IS ENCOUNTERED, PLEASE' TELEPHONE OFFICE OF THE STAFF SECRETARY.

June 26, 1957

FROM THE STAFF SECRETARY

ACTION:	Comment	,		 	,
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	For your information				
	For necessary action	n	b	- C. C.	
	For appropriate han	dling	X		
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Remarks: Governor Adams' schedule does not permit fulfilling the request for an appointment.

By direction of the President:

Staff Secretary

THE WHITE HOUSE OFFICE

ROUTE SLIP

(Copy for Retention by Department or Agency)

TO Mr. Fisher Howe Director Executive Secret Department of St Washington 25, I	THE BASIC CORRES	SPONDENCE MUST ANY, DELAY IN DRAFT REPLY IS LEASE TELEPHONE
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FROM THE STAFF	SECRETARY	
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A. J. GOODPASTER
Staff Secretary



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SEATTLE, WASH.

THE WHITE HOUSE

Jun 26 9 05 AM '57

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June 24, 1957

The Honorable Sherman Adams Assistant to the President The White House Washington, D. C.

Dear Mr. Adams:

We know settlements of great magnitude are best made privately. We are therefore requesting an appointment with you to show exactly what we have.

It is quite possible "new blood" has obtained concessions hitherto believed impossible; also it might be possible Mr. Dulles has made an error in not recognizing this.

If we do not obtain the hearing we feel entitled to we have no alternative than to place the best interests of our country above everything else and take the situation direct to Mr. and Mrs. America. When prominent Republicans are openly admitting "the next President will be a Democrat" it is time for people in high places to get down from their pedestal and listen.

We desire your cooperation. May we have it?

Very truly yours,

PULEMENT COMMITTEE

E. M. Greenwood, Chairman

EMG:P Enclosure

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MIDEAST SETTLEMENT COMMITTEE

PROPOSALS FOR PERMANENT PEACE AND STABILITY IN THE MIDDLE EAST

- 1. Release blocked Egyptian funds. (You can't do business with a man when you have his watch in your pocket.)
- 2. President Eisenhower should personally go to the Middle East and talk to President Nasser and Prime Minister Ben-Gurion. This would have a greater effect on the whole situation over there than any other possible procedure. It would also be in keeping with his pledge of October 12, 1956, wherein he publicly stated he would "GO ANYWHERE, DO ANYTHING" in an effort to obtain a "PEACE BASED ON JUSTICE". President Eisenhower is idolized throughout the entire Mideast, and the constructive psychological effect of his personal presence would be tremendous. The reverence and esteem in which he is held would materially react against our competition.
- 3. President Eisenhower should offer to both President
 Nasser and Prime Minister Ben-Gurion a commercial loan to straighten
 out their internal economy (adequately secured; payable to each
 country over a period of 25 years). This loan would get them both
 thinking in terms of constructiveness instead of armaments and
 enmities. Such a loan would allow both countries to accomplish
 their respective economic desires.

Egypt is acceptable to a commercial loan and has agreed to secure same by pledging revenues from the "four eggs", (Suez Canal, cotton, oil and national products). Much of the loan would be in machinery and surplus products, and a sufficient amount of any loan to Egypt should be retained here to stabilize her currency;

thus eliminating the forty to fifty per cent discounts now prevalent.

The loan would be an outlet for much of our surplus products.

A commercial loan to both Egypt and Israel would automatically effect a peace settlement between the two countries. Neither country would expect such long-term economic cooperation without wishing to reciprocate by lending their best efforts toward the establishment of permanent peace and stability in the Middle East, which peace and stability would eliminate much of our security spending over there and save more than we would be lending.

A peace settlement would void the state of belligerency, thus allowing Israeli ships to transit the Suez Canal and Aqaba, and answer other explosive problems. With the full cooperation of both countries the refugee problem (largely a political football) would automatically be solved, thus saving many millions of dollars annually.

NOTE: Our Committee has spent the last seven months working with officials of the Egyptian government, including President Nasser, Interior Minister Mohieddin and Finance Minister Kaissuny, and can definitely and unequivocally state a commercial loan to both countries (over 25 years) is the key to the whole Middle East situation. Details have been worked out and accepted to accomplish the results we so earnestly desire. Further delay and political bickering is unnecessary. Chaos in the Middle East and a possibility of World War III can be very simply and easily averted.

Respectfully submitted,

MIDEAST SETTLEMENT COMMITTEE

E. M. Greenwood, Chairman

217 Pine Street Seattle 1, Washington

734 - 15th S t. N.W. Washington 5, D. C.

May 26, 1957

MEMO TO SECRETARY DULLES

Dear Mr. Secretary:

I have just returned from Cairo.

I have acceptance from President Nasser, Zakaria Mohieddin and Dr. Kaissuny of our Mideast proposals.

I have a letter from President Nasser.

I can deliver to you everything you want the way you want it.

May I have this privilege?

Respectfully,

MIDEAST SETTLEMENT COMMITTEE

E. M. GREENWOOD (Signed)

E. M. Greenwood, Chairman The Shoreham Hotel Washington, D. C.

EMG: B

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Dear Mr. Greenwoods

With reference to your letter of June 24, 1957 to Governor Adams of the White House, I am instructed to inform you that the Governor's schedule does not permit fulfilling your request for an appointment.

Sincerely yours,

For the Secretary of States

De

Fraser Wilkins
Director
Office of Near Eastern Affairs

THIS DOCUMENT MUST BE RETURNED TO THE RM/R CENTRAL FILES

En

Mr. E. M. Greenwood, Chairman, Mideast Settlement Committee, 217 Pine Street, Seattle 1, Washington.

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INCOMING TELEGRAM

Department of State

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Tel Aviv

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TO: Secretary of State

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NO: 1450, June 25, 8 a.m.

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SENT DEPARTMENT 1450, REPEATED INFORMATION CAIRO 277, USUN 114 AMMAN 261, JERUSALEM UNNUMBERED

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Foreign Ministry official called Embassy to volunteer GOI has recent intelligence indicating UNEF's position Gaza strip becoming progressively less tenable as Egypt increasingly successful in inciting Gaza Arabs against its personnel. Following summarizes his report:

OCB USIA CIA OSD ARMY

NAVY

AIR

BEGIN SUMMARY

Recent incidents have taken much higher toll than UNEF has chosen to disclose in its effort to retain what vestiges control still remain to it. UNEF also concealing character its struggle with local population, attempting to make incidents appear fortuitous, whereas in fact attacks have been premeditated and with no other object than to harrass UNEF.

June 17 incident in which UNEF killed two Arabs officially described as clash which took place when UNEF attempted to intercept band of Arabs crossing border. Actually UNEF patrol was deliberately set upon by band of Gaza Arabs which had no intention crossing border. June 18 mining incident in which one Yugoslav member of UNEF was killed and four injured was reprisal for Arab casualties June 17 incident.

These are major incidents among great many lessor ones, marking present struggle between population and UNEF which Egypt has instigated in its efforts to reassert domination of strip it had prior Sinai-Gaza campaign. It is terrorizing local Arab population in manner that will make them turn against UNEF as alien element responsible for Egypt's displeasure. Campaign is succeeding and initially pro-UN population is now almost unanimously hostile to UNEF. In furtherance campaign, Egyptians have not only discharged or imprisoned top Gaza civil authorities and civil servants

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-2- 1450, June 25, 8 a.m. from Tel Aviv

against whom they had some evidence of collaboration with Israeli occupation authorities but have also dismissed many lesser civil servants and police officers and have taken away more than 150 fishing permits which represent the likelihood of others accused of collaboration.

UNEF is on slippery slope. It can remain in strip and continue to defend itself against attack and sabotage but its authority is too limited for it to recover respect or favor with population.

END SUMMARY

Comment: Embassy has no way estimating how much foregoing represents GOI intelligence acquisition and how much Foreign Ministry's own embroidery. However, service attaches, while aware of some stress between UNEF and Gaza population have had nothing from their sources to confirm Foreign Ministry version.

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FROM Amembassy TEL AVIV

DESP. NO.

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TO

THE DEPARTMENT OF STATE, 100 P 140

REF

Desnatch 132, September 4, 1956.

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SUBJECT:

Summary of Border Incidents

During the months prior to the Sinai Campaign, the JEMUSALEM POST regularl carried on the first or second day of each month a recapitulation of alleged border incidents which has tion of alleged border incidents which had taken place during the previous month and which had been reported in the pages of that newspaper. The sinei Carpaign marked the disappearance of this column from the POST. The recent upsurge in the numbers of reported incidents, particularly along the Gaza Strip border and along the Syrian frontier, has now apparently induced the newspaper to resume its former feature. The PCoT of July 1, 1957, carries on page 4, a column entitled "The hocord of Delligerency." It will be recalled that last year the regular PLOT recapitulation was called "Is This An Armistice?" Except for the change in title, the present recapitulation is presented in exactly the same form as before.

The Embassy assumes that the new "Record of Belli erency" will henceforth be a regular POST feature, and will transmit it to the Department as a matter of record and possible interest. Five copies of the July 1 Post article are enclose.

· For the Charge a'Affaires ad interim:

liam L. Hamilton,

First Secretary of Embassy

inclosures:

5 copies of July 1 JEIUSALE POST article.

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ACTION GOPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

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The Record of Belligerency

Incidents Reported in THE JERUSALEM POST during the Month of June

SUNDAY, June 2.—Four soldiers wounded when two Israel Army vehicles drive over two mines near Kibbutz Kerem Avshalom, near southern end of Gaza Strip... Infiltrators from Strip harvest and steal wheat from Bror Hayil fields in Western Negev... Infiltrators steal straw and hay from Kfar Aza, near border... Cow and mule, stolen from Moshav Ranen, Negev, found concealed in wadi near Strip. MONDAY, June 3. — Irrigation pipes valued at 1L700 stolen by infiltrators from Kibbbutz Kissufim fields... Pipes valued at 1L700, stolen from Kibbutz Ein Hashlosha.

TUESDAY, June 4. — Residents of Kiryat Gat, Lachish area, find number of mines on fields.

THUBSDAY, June 6. — Tools and irrigation pipes, valued at ILI,259, stolen from Kibbutz Nir Am, Gaza Strip.

FRIDAY, June 7. — Irrigation pipes, valued at IL500, stolen from Kibbutz Ein Hashlosha.

SUNDAY, June 9. — Jerusalem Mayor's son, Daniel Agronsky, seriously injured when his car strikes mine near Kibbuta Nahal Oz.

TUESDAY, June 11. — Israel patrol drives number of infiltrators across Gaza Strip border... Infiltrators from Gaza Strip steal four barrels of diesel oil valued at IL200 and 444 metres of irrigation pipe valued at IL872 from Kibbutz Kissufim.

WEDNESDAY, June 12.—Israeli attempting to cross no-man's land in Musrara to the Old City stopped by heavy fire from Old City wall battlements,... Inflitrators steal hales of hay and straw from Kibbutz Ein Hashlosha... Three inflitrators break into Kibbutz Dorof and steal tent and tools worth IL300.

THURSDAY, June 13. — Infiltrators steal 200 metres of irrigation pipes valued at IL-1,000 from Kibbutz Tel Re'im. . . . Infiltrators attempting to penetrate Kibbutz Be'eri defences foiled when kibbutz mands open fire.

FRIDAY, June 14. — Two members of Israel patrol wounded when vehicle strikes mine inside Israel territory west of Ein Hashlosha.

SUNDAY, June 16. — Upper Galilee farmer injured when tractor strikes mine in Kibbutz Gadot fields (formerly Hagovrim) near Syrian border... Danish UNEF sentry shoots and kills Arab infiltrator attempting to cross into Israel... Fifty-four metres of metal piping stolen from Kibbutz M'falsim.

MONDAY, June 17. — Water Authority engineer shot and killed by Syrian sniper while checking meter in Jordan River bod south-east of Mishmar Hayarden.

TUESDAY, June 18. — IL50 worth of tools stolen from power shovel near Nitzanim... 2,500 empty grain sacks stolen from Kibbutz Kissufim... Fifteen irrigation pipes and seven tons of fertilizer stolen from Kibbutz Ein Hashlosha.

shiosha.

WEDNESDAY, June 19. — Yugoslav UNEF soldier killed, four others seriously injured when Yugoslav vehicle hits anti-tank mines near Strip... Infiltrators from Strip penetrate Kibbutz Ein Hashlosha and steal 20 aluminium grigation pipes and fittings... Infiltrators from Jordan steal 30 iron fence poles valued at IL300 from Kibbutz Lahav.

FRIDAY, June 21. — Syrian troops occupy trenches along border, near Kibbutz Kfar. Szold, fire into centre of kibbutz and wound one man... Return three hours later and resume fire. Fire returned... Two soldiers injured when vehicle strikes mine near southern end of Gaza Strip.

SULDAY, June 23. — Syrian positions deliberately start a fire going across the border into Kibbutz Gonen, open fire on members of the kibbutz who try to fight the flames... Syrian snipers open fire on Kfar Szold, Shots directed at school... Infiltrators from Gaza Strip steal flock of 120 sheep from Nir Yitahak, Loss estimated at ILII,000... Twenty sacks of vetch stolen from Moshay Tlamin.

MONDAY, June 24. — Policeman wounded in leg when civilian truck hits mine on

dirt road south of Metulla...
Infiltrators from Gaza Strip
steal 80 irrigation pipes and
various accessories valued at
IL600 from Kibbutz Tel
Re'im. Two infiltrators attempt to take cow and calf
from Moshav Ranen, are
driven off by settlers... Marauders from Gaza Strip
break into Moshav Ta'ashur,
near Mishmar Hanegev, and
steal cow valued at IL800.

TUESDAY, June 25. — Woman member of Kibbutz Gadot near Mishmar Hayarden fatally wounded when Syrian soldiers open heavy fire on settlement... One infiltrator killed by Army patrol in wadi west of Kibbutz Urim... Army patrol folis theft of irrigation pipes from Kibbutz Beit Re'im... Group of infiltrators steal cow valued at II.400 from Moshav Brosh on Beersheba-Saad Road.

WEDNESDAY, June 26. — Infiltrators steal 150 metres of irrigation pipes from Kibbutz Nir Am, Gaza Strip... Infiltrators near Kibbutz Ein Hashlosha driven off by settlement watchmen.

THURSDAY, June 27. — Isrcel patrol kills two marauders in Israel territory southeast of Urim.

FRIDAY, June 28. — Band of marauders from Gaza Strip steals 200 metres of pipe but abandons loot when fired upon by patrol... Another group enters Kibbutz Kissufim vegetable garden and steals pipe velsed at IL500.

Dear Mr. Feighan:

I have for reply your letter of July 1, 1957, transmitting an inquiry about the Kfar Kasim incident, which occurred in Imrael on October 29, 1956.

I enclose a copy of a statement regarding this matter made by Prime Minister Ben Gurion on December 12, 1956, and a short summary of the incident drawn from reports appearing in the Israel press. No official report on the incident has been published by this Government, which is not directly concerned.

Mr. Hedditch's letter is returned as requested by you.

Sincerely yours,

John S. Hoghland II Acting Assistant Socretary for Congressional Relations

Englosures:

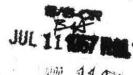
- Prime Minister Ben Gurion's Statement.
- Kfar Kamin Summary.
- 3. From Mr. Hedditch.

The Honorable

Michael A. Feighen, House of Representatives.

EA:NE:REParker:rej - 7/10/57

MB



Mar Lagin Sumary

On the afternoon of October 29, 1956, the Israel Frontier Police imposed a sudden oursew on several Areb villages in the vicinity of and including Kfer Kasim. The curiew, which was from 5:00 PM to 6:00 AM, was amounted in the villages shortly before it went into effect.

A number of villagers working in the surrounding fields were not informed of the curfew and began returning to their homes after 5:00 PM. For reasons which have not yet been clearly explained, the Frontier Police fired on some of these persons and killed a total of 17, including men, women and children. Those responsible were arrested as soon as the incident became known to the Israel Government and are at present being tried by a military court. There is no indication when the trial will be completed.

ACTION

is assigned to

Congress of the United States

House of Representatives Washington, D. C.

July 1, 1957

Office of the Secretary Department of State Washington 25, D. C.

Gentlemen:

There is enclosed portion of a letter I have received from my constituent, Mr. John E. Hedditch, which I should like to have returned to me.

If there is any official report on the matter about which Mr. Hedditch is making inquiry, I would appreciate receiving same.

Respectfully,

Michael A. Feighan

Enclosure

INCOMING TELEGRAM

Department of State

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FROM: CAIRO

Secretary of State

JULY 2, 4 PM

INFORMATION TEL AVIV 2. DAMASCUS. SERT DEPARTMENT 20, REPEATED - BEIRUT, AMMAN UNNUMBERED

IN CONVERSATION WITH EMBASSY OFFICERS GONAR INDICATED THAT MAIN TOPIC RECENT CONVERSATION WITH GENERAL BURNS (JUNE 24, 25) AS LATTER'S REITERATION OF NECESSITY IMPLEMENT PREVIOUSLY DISCUSSED "PRACTICAL MEASURES" FEDUCE TENSION ALONG DEMARCATION LINE . ACCORDING GOHAR HIS PRESENTATION GOE VIEWS STRESSED NEED FOR MORE BASIC AMPROACH TO PROBLEM, CITING IN PARTICULAR:

(A) RESPONSIBILITY UNEF NOT EGYPT AS EGYPT HAD NO MILITARY FORCES GAŽA STŘIF (DESPLITE PROVISION IN ARMISTICE AGREEMENT AUTHORIZING EGYPTION BRIGADE), NO FEDAYEEN, NO PALESTINIAN ARMY THERE AND ONLY SIX EGYPTIAN ADMINISTRATORS PRESENT IN AREA: (B) NECESSITY RELESTABLISH CONDITIONS ENVISIONED IN ARMISTICE AGREEMENT BY ELIMINATING EVIDENCES OF ISRAELI "ANNEXATION" AS DISTINCT FROM "CONJECT IN WESTERN FRONT THROUGH WITHDRAWAL ALL BUT DEFENSIVE FORCES LIMITED TO AUTHORIZED AREAS AND COMPLETE EVACUATION OF MILITARY ELEMENTS IN DEMILITARIZED ZONE; (Q) RE-INSTITUTION MAC (REPEAT MAC) PROCEDURES. 出

REGARDING (C) GOHAR INDICATED SOME GOE DISSATISFACTION OVER FACT BURNS WEARING TWO HATS, UNEF COMMANDER HAD DEFACTO UNTSO (REPEAT UNTSO) CHIEF OF STAFF (HE SAID IT TACITLY UNDERSTOOD BURNS STILL HAS CAPACITY TO ACT IN ROLE CHIEF OF STAFF DESPITE FORMAL DESIGNATION THAT POSITION), BECAUSE IT FACILITATES ISRAELI EFFORTS UNDERMINE UNISO PROCEDURES. HE POINTED OUT ISRAELI COMPLAINTS REGARDING BORDER INCIDENTS ARE MADE TO GENERAL BURNS BY THE ISRAEL! DEFENSE DEPARTMENT INSTEAD OF THE ISRAELI REP TO UNISO AND SUGGESTED THAT IN ACCEPTING THESE COMPLAINTS AND ACTING ON THEM GENERAL BURNS EXCEEDING FUNCTIONS

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-2- 20, JULY 2, 4 PM FROM CAIRO

HE EXPECTED PERFORM AS COMMANDER UNEF, ALTHOUGH HE, GOHAR, RECOGNIZED LEGITIMATE INTEREST UNEF BORDER INCIDENTS.

REGARDING GENERAL QUESTION OF IMPLEMENTING "PRACTICAL MEASURES"
PREVIOUSLY AGREED TO IN PRINCIPLE, GOHAR EMPHASIZED THAT
EGYPT POSITION HAD NOT CHANGED, GOE WELCOMES ANY MEASURES
WHICH WILL REDUCE TENSION BUT IT NOW CONSIDERS MORE BASIC
MEASURES REQUIRED AND THAT IMPLEMENTATION PREVIOUSLY DISCUSSED
"PRACTICAL MEASURES" WILL NOT IN ITSELF SUFFICE TO SUBSTANTIALLY
REDUCE TENSION. IN THIS CONNECTION HE REFERRED BRIEFLY TO
EFFORTS NUMEROUS COUNTRIES TAKE ADVANTAGE SITUATION IN AREA
TO PRESS OWN OBJECTIVES. (EMBASSY OFFICER INTERPRETED THIS
TO INCLUDE SOVIET UNION, US AND OTHER WESTERN POWERS).

AS REGARDS BROADER QUESTION OF RELATIONS BETWEEN EGYPT AND UNEF GOHAR SAID GOE POLICY WAS TO MINIMIZE INCIDENTS OF FRICTION, WHICH HE CONSIDERED NORMAL UNDER CIRCUMSTANCES, AND THAT HE CONSIDERED CONTINUED PRESENCE UNEF FORCES TO BE IN CONFORMITY UN RESOLUTIONS, ASKED SPECIFICALLY WHETHER THIS ALSO TRUE WITH RESPECT UNEF FORCES SHARM EL SHEIKH, GOHAR REPLIED IN AFFIRMATIVE.

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FROM

Amcengeneral JERUSALEM

1 DESP. NO.

TO

THE DEPARTMENT OF STATE, WASHINGTON.

REF

ConGen Despatch 178, June 7, 1957

BEIRUT-1 CAIRDU DAMASCUS

For Dept.	NEA-4	DEPT.	021-8	Ic. 4 0	SUN-1 4	-1 EUR	-
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SUBJECT:

Activities of the MAC's during the Period 15 June through 21 June 1957

Copies of the substantive parts of the weekly reports prepared by the Mixed Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 15 June through 21 June 1957 are enclosed.

American Consul General

Enclosure

Copy of Parts of MAC Weekly Reports fer 15 June through 21 June 1957

Copies sent to Amman, Tel Aviv

Department pass cepies te Beirut, Caire, Damascus

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Pageof	2	Page 1 of
Desp. No	LIMITED OFFICIAL USE	Encl. No. 1
From	(Classification)	Desp. No. 1
		From Jerusalem

COPY

The fellowing is a summary of the activities of the Mixed Armistice Commissions for the period 15 June to 21 June 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained relatively quiet.

During the merning of 21 June, Mrs. Golda Meir, Israel Minister for Foreign Affairs, visited the Israeli Ashkelen ADL checkpost.

The Egyptian Delegation submitted on 19 June 1 written complaint alleging an everflight by two Israel air-craft ever Gaza on 13 June and requested an investigation. Two witnesses were interregated by a UN military observer on 20 June.

Outstanding complaints: Egypt-570; Israel-737; Tetal-1.307

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The border remained quiet.

A Sub-Committee meeting, held on 17 June, discussed missing persons, preperty and other problems incidental to the maintenance of the General Armistice Agreement.

The eutstations of Nablus, Hebren and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jerdanian Delegation submitted 6 written complaints: 4 complaints alleging overflights; 1 complaint alleging insults directed at HJK troops at Mandelbaum Square (Jerusalem); 1 complaint alleging a grass fire started by Israelis crossed the demarcation line. (No investigations requested.)

The Israeli Delegation submitted 1 written complaint alleging crossing of the demarcation line by a group of Fedayeen who kidnapped an Israeli soldier on 5 January (Jordanian authorities did not return him until 3 June).

Outstanding complaints: HJK-1,451; Israel-352; Tetal-1.803

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet. No complaint.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

During the period under review, six shoeting incidents were reported. The mest serious incident was the sheeting of an Israeli water engineer in the central sector of the demilitarized zone on 16 June. The other incidents took

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From Jerusales

(Classification)

place near the Kfar Szeld settlement, resulting in the slight wounding of one Israeli farmer according to the Israeli complaint. All these complaints were investigated.

On 19 June, the Chairman infermed the Senier Israeli Delegate that a Meterela master station would be installed in the effice in Tiberias. The Senier Israeli Delegate replied that this could not be done now, since the matter of radio communications had been taken up by the Foreign Office with the Acting Chief of Staff, and with the Secretary-General at his last visit to Jerusalem.

The work on the site of the Jordan River Project in the demilitarized zone remained halted. Progress outside the demilitarized zone continued to be slow.

29 written complaints referring to incidents alleged to have occurred between 4 June and 18 June were received from the Israeli Delegation: 1 complaint alleging an overflight (investigation not requested); 1 complaint alleging that a Syrian searchlight was directed towards Israel (investigation not requested); 1 complaint alleging a firing incident - 1 civilian killed - (investigated); 1 complaint alleging a mining incident - 1 wounded - (investigated); 1 complaint alleging illegal fishing (investigation not requested); 5 complaints alleging illegal cultivation (investigation not requested); 19 complaints alleging presence of military elements and fortifications in the southern sector of the demilitarized zone (investigations requested for all those complaints except for three of them).

The Syrian Delegation submitted 2 written complaints: 1 complaint alleging that an Israeli searchlight was directed towards Syria (no investigation requested); 1 complaint dated 20 June alleging that on 19 June two Israeli army cars penetrated into the central sector of the demilitarized zone and unleaded 35 armed soldiers (investigation carried out on 20 June - no traces of presence of soldiers seen).

Outstanding complaints: Israel-870; Syria-828; Total-1.698

INCOMING TELEGRAM

Department of State



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31 Action IO FROM: Tel Aviv Info T0: Secretary of State RMR NO: 12, July 3, 9 a.m. SS G SP CL

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CORRECTION ISSUED: 7/4/57, 9 a.m. >

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Rec'd: July 3, 195

1:00 p.m.

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Re Department's INTEL July 1.

Embassy would have preferred EMBTEL 1450 to be used as basis for inquiry re present character <u>UNEF</u> Gaza population relationship rather than direct approach to UNSYG, as seems to have been case, to verify or deny Israeli version.

For sake of Embassy's relationship with Foreign Ministry, it will be appreciated if USUN can request SYG not to attribute report to us in any conversation he may have on matter with Israelis, which we hope will not be necessary.

BAXTER

to NewYork seis attention 1/s

Correction made by RM/R

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INCOMING TELEGRAM

Department of State

CONFIDENTIAL 54-51 TOLV Control: 2020 Rec'd: July 3, 1957. FROM: Tel Aviv 1:00 p.m. Info RMR TO: Secretary of State SS NO: 12, July 3, 9 a.m. G SP C Re Department's INTEN July 1. L Embassy would have preferred EMBTEL 1450 to be used as basis for inquiry represent character UNEF Gaza population relationship rather than direct approach to UNSYG, as seems to have been case, to verify ORDINI Israeli version. 0 EUR NEA P UOP OLI For sale of Embassy's relationship of if USUN can request SYG not to attribute report to us many conversation he may have in letter with Israelis, which we hope will not be **OCB** USIA CIA OSD ARMY NAVY BB:GEV/5 AIR (#) Omission.

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This Document
to the RM/I

DEPARTMENT OF STATE

Memorandum of Conversation

CONFIDE TIAL

DATE: July 5, 1957

SUBJECT:

Israel/E yptian Miked Armistice Commission

PARTICIPANTS:

Mr. Francois de Laboulaye, Counselor,

French Embassy

MD - Fraser Wilkins

NW - Wells Stabler

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Mr. de Laboulaye said the French-Poreign Office had received the report (which he speculated might have come from the Israelis) that the Egyptians had approached the US formally with a view to obtaining our assistance for the reactivation of the Israeli/Egyptian MAC. He inquired whether there was any substance to this report.

In. Wilkins replied that we had received no formal a proach from the Egyptians although the Egyptians in Cairo had recently recounted to our Embassy the details of conversations which had been held between the Egyptians and General Burns. These conversations touched on the reactivation of the FAG. Mr. Wilkins stressed that the Egyptians had not asked us to take any action in the matter although it was clear that the Egyptians were anxious to establish the status quo ante October 1956. Mr. Wilkins said he assumed that the UN would be following this matter up with the Egyptians and Israelis. He said that we planned no specific action in this respect.

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MRS. MYER SOLOMON

432 Pearson Avenue Williamsport, Pennsylvania

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July 10, 1957

The Secretary of State Dept. of State Washington, D. C.

Dear Sir:

I enclose herein copy of resolution passed unanimously by our Hadassah Regional Convention.

We would be happy to hear from you on this matter.

Sincerely yours,

(Mrs. M. Solomon)

Regional Chairman of Zionist Affairs,

Hadassah

EFARTMENT OF STATE

The Conference of the Eastern Pennsylvania, Southern New Jersey, and Deleware Region of Hadassah, comprising 38 chapters, 20,000 members, sends warmest greetings to the Government and people of Israel and registers the determination of Hadassah to stand by Israel's side in defense of its hard-won independence and territorial integrity.

- stand in the Middle East to end once and for all the threat of
 Egypt's Nasser. Nasser's domination of the Suez Canal in defiance
 of international treaty and United Nations decisions is a dagger
 pointing at the heart of Europe's economy and defenses. A continent
 cannot be prey to the whims and will of a dictator and his cohorts.
- 2. We respectfully urge our government to insist that the regulation of the Suez Canal be insulated from the politics of any nation, and to uphold the right of all nations without any discrimination to the use of the Canal.
- 3. Our government further will, we hope, insist of freedom of passage through the Straits of Tirhan and the Gulf of Aquaba.
- that no country must be dependent on a single passageway. To this end, we recommend economic aid to assist Israel in developing the Port of Elath, which would provide, through the Gulf of Aquaba, a new link, guaranteed safe passage through a stable country to the Mediterranean.
- 5. We strongly urge our government to exercise the full weight of its influence and prestige outside the United Nations as well as within it, to the end that Egypt will terminate its state of belligerency against Israel, and to insist that Egypt and other Arab states comply with the

charter of the United Nations.
Mrs. Milton Charnow, Chairman, Resolutions Committee
Mrs. Max Schlanger. Mrs. Herman Gassoy

INCOMING TELEGRAM

epartment of State

47 CONFIDENTIAL Action Control: 7583 Rec'd: July 12, 1957 NEA 8:13 p.m. FROM: New York Info TO: Secretary of State RMR NO: 46, July 12, 7 p.m. SS G SP Re Burns-Gohar Conversation (Cairo's 20, DEPTEL 13) C IO Cordier (Secretariat) informed of contents REFTEL. I commented, in thanking us for this, that it was much fuller version than he had received from Burns. He added that getting Burns to report matters like R political officer was as hard as pulling teeth. WADSWORTH

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Amcongeneral JERUSALEM

July 12, 1957

TO

THE DEPARTMENT OF STATE, WASHINGTON.

REF

ConGen Despatch No. 1, July 2, 1957

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SUBJECT:

Activities of the MAC's during the Period 22 June through 28 June 1957

Cepies of the substantive parts of the weekly reports prepared by the Mixed Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 22 June through 28 June 1957 are enclosed.

American Censul General

Enclesure

Copy of Parts of MAC Weekly Reports fer 22 June through 28 June 1957

Copies sent to Arman, Tel Aviv

Department pass cepies to Beirut, Caire, Damascus

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COPY

The fellowing is a summary of the activities of the Mixed Armistice Commissions for the period 22 June to 28 June 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained relatively quiet.

The Egyptian Delegation submitted 1 written complaint alleging that on 20 June, at approximately 0100 LT, an Israeli crossed the Demarcation Line north of Cabalia Refugee Camp and threw 2 hand grenades - which exploded on the main read - and that tracks came from Israeli controlled territory and back. (Investigation requested and carried out: five statements were taken; imprints of footsteps, ingoing and outgoing, were shown to UN military observer; iron splinters, probably from hand grenade(s) were handed to UN military observer by locals.)

Outstanding complaints: Egypt-571; Israel-737; Total-1.308

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The berder remained quiet.

On 27 June, a complaint was received from HJK alleging that a National Guardsman had been wounded inside Jerdan by Israelis who fired across the demarcation line. A joint investigation was conducted. Physical evidence conflicting. Bloodstains were found in Jerdan, but the Israelis maintained that they fired at a man some 800 metres on the Israeli side of the demarcation line. Incoming and outgoing tracks were followed, but the latter were some hundred metres from the bloodstains. An Emergency Meeting was granted and the first session opened on 28 June.

A Sub-Committee meeting, held on 24 June, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebren and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 10 written complaints: 2 complaints alleging firing across the demarcation line (one during Israel manegures - no investigation requested - for the other, for which an investigation was requested, see above); 8 complaints alleging everflights (no investigations requested).

The Israeli Delegation submitted 1 written complaint alleging illegal cultivation by Jordanians (no investigation requested).

Outstanding complaints: HJK-1,461; Israel-353; Total-1.814

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Desp. No. 4
From Jerusalem

(Classification)

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet except for one mine incident.

The Israeli Delegation submitted 1 complaint alleging that on 23 June an Israeli truck hit a mine, east of Metulla. A passenger (a policeman) was wounded. A joint investigation carried out on 24 June ascertained that foot prints were leading from the place of the incident towards the Lebanese border. No indication was found regarding the origin of the mine or the identity of the mine layer. (The investigation was requested by the Senior Israeli Delegate for 1330Z on 24 June, namely 30 hours after the alleged incident had occurred.)

The Lebanese Delegation submitted 2 complaints alleging Israeli everflights, on 25 and 27 June respectively.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

During the period under review, ten shooting incidents were reported. The most serious incident which took place on 24 June, was an exchange of fire between the Israeli pelice post at Mishmar Hayarden and Syrian positions on the eastern bank of river Jordan. (The Israeli settlement of Hagevrim was also apparently involved.) One Israeli woman was killed and one Syrian seldier was wounded.

On 22 June, the Senier Israeli Delegate informed the Chairman that the Banat Yacoub bridge and appreaches had been cleared during the night of 21/22 June and that the bridge was epen for traffic. On 23 June, the bridge was used by UNMOs for the first time since it was closed on 30 October 1956.

The work on the site of the Jordan River Project in the demilitarized zone remained halted. Progress outside the demilitarized zone continued to be slow.

27 written complaints referring to incidents alleged to have occurred between 18 and 27 June were received from the Israeli Delegation: 1 complaint alleging that a searchlight was directed towards Mishmar Hayarden (no investigations requested); 1 complaint alleging illegal fishing (investigation not requested); 3 complaints alleging illegal cultivation (no investigations requested); 2 complaints alleging crossing of the demarcation line by Syrian seldiors (investigation carried out for one complaint); 4 complaints alleging brush fires (investigations not requested); 5 complaints alleging everflights (investigations not requested); 11 complaints alleging shooting incidents — one settler wounded and one killed (investigations carried out for five of these complaints).

The Syrian Delegation submitted 12 written complaints alleged to have occurred between 20 and 26 June: 8 complaints alleging shooting incidents - one Syrian seldier wounded - (investigation carried out for three of these complaints); 2 complaints alleging brush fires (no investigations requested); 1 complaint alleging an overflight (no investigation requested); 1 complaint alleging crossing of the demarcation line by Israeli seldiers (investigation carried out).

Outstanding complaints: Israel-897; Syria-840; Total-1.737

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INCOMING TELEGRAM Department of State

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ES CONFIDENTIAL Action Control: 10446 July 18 7 19 Rec'd: TEA FROM: Tel Aviv 2:50 am Info TO: Secretary of State 33 N NO: 62, July 17, 8 pm G SF

> SENT DEPARTMENT 62, REPEATED INFORMATION CAIRO 9, AMMAN 9. USUN 4, JERUSALEM ÚNNUMBERED

Foreign Ministry telephoned Embassy to "refute implication" in UNEF report to UN July 15 that persons were Israelis who fired at UNEF patrols in Gaza Strip July 12-13.

(According to press, UNEF report, which Embassy has not seen, said 5-man UNEF Indian patrol near Deir El Balah was engaged in exchange fire across border at 10:00 pm July 12. One Arab who apparently fled from Gaza Strip into Israel may have been killed, according to report. At same hour following night, two pistol shots were fired at 4-man Finnish patrol by persons who fled into Israel).

Ministry official expressed irritation that reports made available to UN on Monday was not supplied to GOT until Tuesday.

He said emphatically that no Israel personnel was involved in two incidents. IDF under strict instructions avoid clashes with UNEF and sites of incidents far removed from areas where clashes could be expected between Beduin across demarcation line. clashes, he said, only occur farther south Sinai border. Nevertheless, GOI is making careful investigation.

Comment: (US officials) -- Embassy somewhat surprised at Ministry's sensitivity in matter. It is possible persons involved may have been Israeli Arab agents sent on collection intelligence of type reported EMBTEL 1450.

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FOREIGN SERVICE DESPATCH

Amcongeneral JERUSALEM

6 DESP. NO.

DO NOT TYPE IN THIS SPACE 674840/7-1757 +1684085 6830.840 683.840

TO

THE DEPARTMENT OF STATE, WASHINGTON.

July 17, 1957

REF

ConGen Despatch 4, July 12, 1957

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For Dept. TEA-4 I RMA-2 CLI-8 P-1 IC-4 USUN-1

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O C-A-12 05D 4 ARMY-4 NAVY-3 AIR-3 USIA-10

SUBJECT:

Activities of the MAC's during the Period 29 June through 5 July 1957

Copies of the substantive parts of the weekly reports prepared by the Mixed Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 29 June through 5 July 1957 are enclosed.

William E. Cole
American Consul General

Enclosure

Copy of Parts of MAC Weekly Reports for 29 June through 5 July 1957

Copies sent to Amman, Tel Aviv

Department pass copies to Beirut, Cairo, Damascus

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COPY

The following is a summary of the activities of the Mixed Armistice Commissions for the period 29 June to 5 July 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained relatively quiet, no complaints being lodged by either Egypt or Israel.

Outstanding complaints: Egypt-571; Israel-737; Tetal-1,308

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

During the period under review the border remained quiet.

The cutstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 6 written complaints: 2 complaints alleging firing across the demarcation line; 3 complaints alleging overflights; 1 complaint alleging insults directed at HJK troops. (No investigations requested. No casualties.)

Outstanding complaints: HJK-1,467; Israel-353; Total-1,820

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet.

The Lebanese Delegation submitted 1 complaint alleging that on 3 July four jet planes coming from Israel overflew Labouna, Naqoura, Bayada, Aalma Ech Chaab at a height of 600 metres and flew back to Israel via Hanouta.

The Israeli Delegation submitted no complaints.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

ISMAC weekly report covering the period under review not yet received from the Chairman. Will be forwarded separately as soon as received.

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Department of State

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OCB desires information on how views of articulate public

have evolved on November cease fire in Egypt. How are US and Soviet roles in bringing about cease fire regarded? To what extent has UK-French prestige been recouped? What line is anti-Western propaganda now taking re US and USSR roles in cease fire?

Reply desired by July 25.

JUL 181957 P.M.

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Office Memorandum . UNITED STATES GOVERNMENT

TO : NEA - Mr. Wilkins

DATE: July 18, 1957

FROM : NE - William C. Burdett WG (M)

subject: Call of Mr. Meroz, Israel Embassy.

Discussion

Mr. Meroz of the Israel Embassy is calling on you at his own request this afternoon to discuss Syria, Aqaba, and general subjects.

A. With regard to Syria, we assume that Mr. Meroz wishes to discuss the situation along the border. Our latest report indicates that the border is quiet and that Colonel Leary and the Israelis are proceeding with the establishment of observer posts north of the demilitarized zone. We understand that Leary intends to continue his attempts to obtain Israel agreement to posting of observers within the D.Z. itself. However, he is not now actively pursuing this matter, which he wishes to handle as a completely separate subject from the observer posts north of the D.Z.

B. With regard to Aqaba, Mr. Meroz may wish to raise one or both of two points. The first of these is a story appearing in this morning's Washington Post (attached) alleging that a personal letter was sent by the President to King Saud containing assurances on the Gulf of Aqaba. This article apparently refers to the recent aide-memoire given to Assam Pasha.

The second point Mr. Meroz may wish to raise is the remarks of the Secretary at his Tuesday press conference. Mr. Arad of the Israel Embassy has already expressed informally his interest in the meaning of the Secretary's reference to the "plausibility" of the Arab position on the Gulf of Aqaba. The exact text of the Secretary's remarks is attached.

Recommendation

1. With regard to the question of Syria, that you inform Mr. Meroz, if he asks, that we have no new information on Syrian intentions. We feel it is in the interest of all concerned, and particularly Israel, that the border area remain quiet. We believe

that

that fulfillment of the desiderata contained in the Leary report will be helpful in this respect. (A summary of the report is attached).

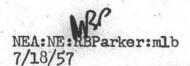
2. With regard to Aqaba, that you inform Mr. Meroz that there have been conversations and communications with the Saudis on the Gulf of Aqaba although the Washington Post report is incorrect. These friendly exchanges have been largely designed to seek a clearer understanding of each other's viewpoint. As the Secretary indicated on July 16, we do not agree with the position taken by the Arab states on this issue.

Attachments:

1. Story from Washington Post.

2. Text Secretary's press conference.

3. Summary of Leary report.



Ike Letter Calms Saud On Aqaba

By Milt Freudenheim Chicago Daily News Service

UNITED NATIONS, N. Y., July 17—President Eisenhower has sent a personal letter to King Saud of Saudi Arabia attempting to calm mounting Arab excitement over the Gulf of Aqaba.

The President wrote the King, it was learned, in answer to a letter from Saud protesting the United States stand favoring "innocent passage" for all ships including Israel's in the Gulf.

It makes three points, according to high diplomatic sources here:

- The United States respects Saudi Arabian sovereignty in Saudi territorial waters.
- It believes differences between Arabs and Israel on rights of shipping in the narrow Aqaba Gulf can be settled peacefully under international law, The United Nations Charter and U. N. resolutions.

It hopes force will not be

- Q. Mr. Secretary, in referring to the ability of the Soviet Union to impose its views on the Satellites, you left out Red China. Do you think, Sir, that the Soviet Union could impose its views in the question of disarmament upon Red China?
- A. Well, that is a difficult question to answer categorically. I certainly think that Red China has a greater degree of independence than the European Satellites. On the other hand, when it comes to matters of armament, the dependence of China upon Soviet Russia is so nearly complete that I would doubt very much if in that area Red China would try to take a different position from that of the Soviet Union.
- Q. Mr. Secretary, in view of the recently increased tensions in the Middle East, is it prudent for us to send, as recorded, jet-trained pilots and arms to Saudi Arabia, and to send arms to Jordan, or any other Arab State, in face of public declarations by Arab leaders against the peace movement efforts in the Middle East?
- A. We do not think that there are any developments in the Middle East which should lead us to alter the policy which we arrived at when King Saud was in this country.
- Q. Mr. Secretary, as a follow-up to that question, the situation in the Middle East seems to be quiescent on the surface, but the basic conflicts between Israel and the Arab States have not been solved at all. How long do you think that situation can continue, and does the American Government have any intention of taking a lead in the coming Assembly of the United Nations to press for a solution of any of those matters?
- A. The basic views which we hold are expressed in my speech of August 1955. We adhere to those views, and nothing that has happened since then leads us basically to alter the views that we then expressed.

On the question of procedures, it is perhaps necessary to adopt or find different procedures than what we then envisaged. It may be that other countries can usefully play a greater role in the situation than seemed likely at the time. It may be that the United States should not take such a prominent role as we then envisaged. I don't know whether the time is here to make progress along those lines, either totally or partially, practical. I would say that the matter is under constant study here in the State Department, and we are constantly in touch with our friends in the Middle East, and whenever it seems that anything can be done we will do all that we can to assure that it is being done, even though, perhaps, we do so more quietly.

Q. Can you spell that out just a little more, Sir, in respect to other nations taking a more prominent role? Do you mean that a possible change, a possible withdrawal to a degree of, say, the Eisenhower Doctrine, letting other nations come in as mediators? I'm not quite clear as to --

A. The Eisenhower

A. The Eisenhower Doctrine did not concern itself in any direct way with the solution to the Palestine problem, and the relations between Israel and the Arab States. The Eisenhower Doctrine dealt primarily with the menace in the area of International Communism, and dealt with the desirability of building up the economic and military strength of the countries of the Middle East who sought to maintain their own independence of International Communism. That was the Eisenhower Doctrine. And, as I pointed out at the time, the Eisenhower Doctrine was not designed to solve the problem of the relations between Israel and the Arab States. That is a separate matter upon which our attention is deeply engaged as to which the situation is as I have just described.

Q. Are you alarmed at all, Sir, by the shipment of jets from Egypt to Saudi Arabia, or from other indications that Egypt is attempting to use the Saudis against the Israeli on the Aqaba issue?

A. That is a matter which, obviously, deserves consideration and is receiving it. But we have no reason to believe that the relations which we established with King Saud, particularly when he was here, have altered, although, clearly, there is and always has been a difference of opinion about the international status of the Gulf of Aqaba. The Arab countries believe that the six-mile limit applies rather than the three-mile limit, and that since the position of Israel on the Gulf is not fixed by any permanent boundary decision, Israel does not have the right to claim a voice in the access to the Gulf, and that if the countries which do have permanent boundaries to the Gulf; namely, Egypt, Jordan, and Saudi Arabia, agree to close the Gulf that they think that they have the right to do it. There is a certain amount of plausibility from the standpoint of international law, perhaps, to those claims, That is not the view of the United States.

Perhaps in the end this matter will have to be settled by some decision of the International Court. But we do not believe that, because we have differences of that sort, that is going to bring about any fundamental change in our relations. We have differences of the same sort, as you know, with many Latin American countries. We have differences with Mexico which involve the shrimpfishing; we have differences with some of the West Coast countries who have asserted territorial rights out as far as 200 miles. We dispute those. There are sharp differences that we have with many countries of the world. Our historic view about these matters is not shared by all the world, and there are differences of opinions. But honest differences of opinion between friends should not turn them into enemies.

Q. Mr. Secretary, it has been reported that as part of your disarmament proposal you have indicated to the other

SUMMARY OF LEARY READET

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NE: ISRAEL-JORDAN AFFRIRS
ROOM 3214, NEW STATE BLDG.

RETURN TO:
NE: ISRAEL-JORDAN AFFAIRS
NOOM 3214, NEW STATE BLDG.

In compliance with whe becarity Council's wishes, Colonel Leary has presented a report, dated June 27, "on the conditions under which the Chief of Staff and the Military Observer personnel of the UNIDO at present have to meet their obligations in the Demilitarized Zone".

Bot in the Zoza, which have been dealt with im previous reports. It mention as incidental to its consideration of the metter of freedom of movement, the expulsion of Arabs from the Zone last October. discuss the problem As not apacifically relevant to the Council request, the report does of the MAC meetings or activities of Inraeli police I's mentions,

The report deals with the following three questions:

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- Restrictions on Movement of Observers in the Zene.
- a) Israell Sector. Until June 1956 Observers circulated freely in the Zens; Since then they have been prevented by Israel from carrying out investigations in certain parts of the Central and Southern sectors. Exceptions to this have occurred in connection with visits to the new fulch bridge and the investigation of an incident on June 16.
- b) Syrian Sector. The Syrian authorities do not refuse to let Observers enter the Zone. Occasionally, an investigation or visit may be held up, owing to delay in furnishing a Syrian listeen efficer. The Syrians have agreed to eliminate such delays.
- Fertifications in the Zone.
- the tion of civilian life. In real has maintained its refusal to comply with this request, claiming that Syria's assocraptioned with fundamental provisions of the Armistics Agreement openly threatens Israel's security and that Invest settlements in the Zone cannot be decied "a minimum of elementary defense facilities". a) Israeli Side. The Chief of Staff had requested the dismentling specific fortifications that went beyond what was required for the pro-The Chiles of Staff had requested the dismentling of
- b) Syrian Side. The Syrians have suggested that a topographical survey to carried out in the presence of UN Military Observers to confir whiteer, and if so where, Syrian fortifications encreach upon the Zone. The Syrians have agreed to dissumble any fortifications found the been croaching. Arrangements are being made to have the survey made during the mark few days. confirm

Minefields in the Zone.

Constraint that the Benet Taccub bridge was mined and that UN Military Constraint and the Constraint and ev Hulsh bridge, there should remain no Israeli mis On October 30, 1956, the Chairman of the HAC was informed by the wilelds in the Zone. Mond, bridge

B. The Report Mekes the Following Conclusions:

In order to carry out their duties, the Chairman and the UN Comervers must at all times and without prior authorization have freedom of access to and freedom of movement in the Demiliterized Zone, whether they are on a routine visit or carrying out an investigation. It is up to the Chairman to decide whether they would be excerted. This report has shown that they have been prevented on various occasions from entering certain areas and localities in the Zone.

The Israelis have explained that their objections to freedom of movement are of a purely formal nature and proceed from Israel's refusel to entertain Syrian complaints in the lone. Israel says it does not object to any investigation carried out by or on behalf of the Chairman on the basis of his authority under Article V of the Armistice Agreement.

It may be considered desirable for the purposes of surveillance and more rapid investigation that the Chairman have some observers remain on a 24-hour basis in portions of the Zone selected by him. The ActingOT William of Staff has requested the Israel authorities 14 That but OIF Warnish Lodging facilities could be provided in the Mishage May Marden ages for one or two observers.

It is a matter of matisfaction that the Israel authorities have agreed to clear the misse placed in the Israel. On the other hand, requests for the demolition of furtification works which exceed those permissible for the protection of the civilian population have been rejected.

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Secretary of State

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BEN GURION'S FOREIGN POLICY SPEECH THURSDAY NIGHT BEFORE ZIONIST GENERAL COUNCIL WAS CONSIDERED NOTABLE BY PRESS FOR HIS MENTION OF "SPECIAL ENVOY'S" FAILURE TO MEDIATE BETWEEN EGYPT AND ISRAEL LAST YEAR. BEN GURION DID NOT IDENTIFY MEDIATOR OR HIS SPONSOR BUT MOST NEWSPAPERS, LIKE JERUSALEM POST, SAID, "IT IS ASSUMED HE MEANT AMERICAN WHO WAS ASSOCIATED WITH RELIGIOUS ORGANIZATION,"

BEN GURION TRACED HISTORY OF EGYPT ANIMOSITY TOWARD ISRAEL AND EVENTS PRECEEDING SINAI/GAZA CAMPAIGN. INTIMATING EGYPT WAS SO IMPLACABLE IN ITS HOSTILITY THAT IT IGNORED CONCILIATORY EFFORTS OF ALL INTERESTED THIRD PARTIES. SPECIAL ENVOY OF "HEAD OF A CERTAIN GREAT POWER" WHO HAD BEEN SENT TO ISRAEL AND EGYPT IN 1956 HAD "RETURNED FROM CAIRO WITH EMPTY HANDS AND CLEAR KNOWLEDGE EGYPTIAN DICTATOR HAD NO INTENTION OF MAKING PEACE." HE SAID.

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INCOMING TELEGRAM Department of State

CONFIDENTIAL 57-52 THIS Control: 13629 Action Rec'd: July 23, 1957 OLI FROM: Addis Ababa 1:17 p.m. Info TO: Secretary of State RMR 70, July 22, 4 p.m. NO: SS G SR. DEPTEL 51. C W Government controlled press consisting of one daily and four weekly papers has expressed no opinions these questions. L IO In general official Ethiopian anti-Egyptian feeling tended last autumn diminish blame attacked United Kingdom-France 0 EUR for intervention and to increase anti-Soviet feeling. NEA P British-French prestige not recouped. Anti-British feeling here especially high because of present controversy air rights against background Somali frontier difficulties. Also Ethiopians do not welcome British plan base military strength UOP E OCB in Kenya, USIA Not aware anti-Western propaganda here making use of cease-fire. CIA OSD ARMY BLISS NAVY AIR CWD: GEV/5 市

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Secretary of State

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Department of State

THIS DOCUME CONFIDENTIAL Control: 12737 Rec'd: July 22, 1957 9:48 a.m. CENTRAL Suex cease-fire has had singularly little impact on public opinion in Ghana. Hence opinions on questions in reference telegram have not been articulated though handful of Ghanians who have followed situation appear to approve of role US has played. Little interest here in foreign affairs unless Ghana directly involved, especially during last 6 months when attention focused on developments concerned with Ghana independence.

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CONFIDENTIAL Action Control: 14273 Rec'd: July 24, 1957 OLI FROM: Tripoli 9:57 a.m. Info RMR TO: Secretary of State SS NO: 57, July 24, 2 p.m. G SP accra no. 19 C DEPTEL 42. L Io Possibility increased Soviet intervention seen initially as motive which prompted US action. Nevertheless US prestige immensely peinforced by Eisenhower speech of October 31 and general US position on attack. Latter generally credited with achieving cease-fire and Israeli withdrawal. Eisenhower doctrine good follow-up. This view continues prevail. 0 EUR NEA P UOP

UK suffered temporary loss prestige but has regained considerably O OCB since British treaty committments to Libya fully honored at time. Economic considerations and personal inclination have prompted request by King retention sizeable British force in Libya. This accepted by public. French prestige fell to all time low where it has remained as result Algerian situation. Press attacks on French are daily and reherent USIA CIA OSD ARMY NAVY AIR French are daily and vehement.

No anti-west propaganda evident concerning cease-fire in recent months. Principal anti-US propaganda based on US policy in Algerian case, which is foremost issue. Close second is general US policy on Arab-Israel dispute, with specific current focus on Gulf of Agaba question.

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The following is a summary of the activities of the Mixed Armistice Commissions for the period 6 July to 12 July 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained relatively quiet. Gaza local food prices are gradually returning to normal and are now only slightly above the prices of last year.

No complaints were submitted by either Egypt or Israel.

Outstanding complaints: Egypt-571; Israel-737; Total-1,308

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

During the period under review the border remained quiet.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 3 written complaints: 1 complaint alleging crossing of the demarcation line by an unarmed civilian; 2 complaints alleging overflights. No investigations requested. No casualties.

The Israeli Delegation submitted no complaints.

Outstanding complaints: HJK-1,470; Israel-353; Total-1.823

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet.

The Israeli Delegation submitted 1 complaint alleging that on 5 July two men tried to enter a stable in the village Idmith (MR 1691 2761) - they were chased away by the neighbors - a police investigation found their tracks leading towards the Lebanese border. No investigation requested.

The Lebanese Delegation submitted no complaints.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

ISMAC weekly report covering the period under review not yet received from the Chairman. Will be forwarded separately as soon as received.

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The following supplements our Mail Despatch No. 28 covering same period for the other three Mixed Armistice Commissions.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

During the period under review six shooting incidents were reported with no casualties alleged. None of these incidents were investigated.

A UNMO has been posted in the area of Banat Yacoub Bridge from 29 June, as a result of the serious incidents on 24 June. Until accommodation can be found, the post is operating on a daytime basis.

Daily inspection of the new Huleh bridge area has been made. Since 27 June no work has been carried out in the vicinity of the bridge.

The work on the site of the Jordan River Project in the demilitarized zone remained halted. Progress outside the demilitarized zone continued to be slow.

17 written complaints referring to incidents alleged to have occurred between 20 June and 5 July were received from the Israeli Delegation: 1 complaint alleging a brush fire (no investigation requested); 3 complaints alleging a searchlight was directed towards Israeli territory (no investigations requested); 2 complaints alleging illegal cultivation (no investigations requested); 5 complaints alleging shooting incidents (no investigations requested); 2 complaints alleging sabotage of water pipes at Shami - investigations requested; 1 complaint alleging penetration into Israeli territory (no investigation requested); 3 complaints alleging presence of military personnel in Demilitarized Zone (no investigation requested).

The Syrian Delegation submitted 5 written complaints: 3 complaints alleging overflights; 2 complaints alleging crossing of the Demarcation Line. No investigations requested.

Outstanding complaints: Israel-914; Syria-845; Total-1.759

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The following supplements our Mail Despatch No. 29 covering same period for the other three Mixed Armistice Commissions.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

The period under review has been marked by high tension due to a series of shooting incidents.

A total of nineteen complaints of shooting incidents were received, and twelve of these were investigated. Two of the complaints were connected with an incident on 7 July where a UN investigation team was fired upon by Syrian soldiers in the area of Shamir settlement. Seven of the complaints were connected with a shooting incident on 9 July in the area of Darbashiya which lasted for approximately ten hours, and as a result of which twelve casualties were reported including one Israeli labourer killed.

The outstation at Bouteiha farm continued to be manned on a 24-hour basis, while the outstations at Banat Yacoub bridge and Kuneitra were manned during daytime only. Accommodation has been requested at Customs House for the manning of the Banat Yacoub station on a 24-hour basis.

Daily inspection of the new Huleh bridge area was made, with no evidence of work reported. Some work was contemplated on 10 July, but due to the incident on 9 July the work was postponed.

On 7 July, the Chairman was informed by a letter of the appointment of Lt. Colonel Jamil Fayad as Senior Syrian Delegate to replace Lt. Colonel Ado Ez Eldine.

The part of the Jordan River Project inside the central sector of the Demilitarized Zone was inspected on 12 July, but no evidence of work was found.

14 complaints referring to incidents alleged to have occurred between 3 July and 13 July were received from the Israeli Delegation: 3 complaints alleging crossing of the international border and firing - one Israeli wounded - (investigations requested and carried out for two of these complaints); 10 complaints alleging firing incidents - 7 Israeli policemen wounded and one Israeli labourer killed - (investigations requested and carried out for 6 of these complaints); 1 complaint alleging that a group of Syrians penetrated into Israeli territory and sabotaged a waterpipe (investigation requested and carried out).

24 complaints referring to incidents alleged to have occurred between 2 July and 11 July were received from the Syrian Delegation: 2 complaints alleging brush fires (no investigations requested); 6 complaints alleging overflights (no investigations requested); 10 complaints alleging penetration into demilitarized zone by military units and construction of field works (investigations requested and carried out for 7 of these complaints); 6 complaints

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alleging firing incidents - four wounded - (investigations requested and carried out for 4 of these complaints).

Outstanding complaints: Israel-928; Syria-869; Total-1,797

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The following is a summary of the activities of the Mixed Armistice Commissions for the period 13 July to 19 July 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained relatively quiet.

The Egyptian Delegation submitted 4 written complaints: 1 complaint alleging the kidnapping of an Arab watchman by Israelis in Egyptian controlled territory (investigation requested and carried out); 2 complaints alleging Israelis crossing the armistice demarcation line and patrolling in Egyptian controlled territory; 1 complaint alleging an overflight. (The three last complaints were not investigated as the Egyptian Delegation has been unable to produce local witnesses.)

No complaints were submitted by Israel.

Outstanding complaints: Egypt-575; Israel-737; Total-1.312

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

On 15 July verbal information was received from HJK alleging that numbers of troops and types of military equipment contrary to Article VII of the G.A.A. had been observed in certain areas. This was followed by a written complaint on 16 July and on 17 July by a request for an emergency meeting. The request for an emergency meeting was granted and investigations were carried out on 17, 18 and 19 July. No evidence was obtained of any military activities contrary to Article VII of the G.A.A.

A Sub-Committee meeting, held on 15 July, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 5 written complaints: 4 complaints alleging overflights (no investigation requested); 1 complaint alleging defensive forces beyond allowable strength (investigation requested and carried out — see paragraph above).

The Israeli Delegation submitted no complaints.

Outstanding complaints: HJK-1,475; Israel-353; Total-1.828

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet.

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The Lebanese Delegation submitted 1 complaint alleging that on 17 July a brush-fire which started in Israel caused damage to Lebanese cultures. A mixed investigation was requested and carried out on 18 July.

The Israeli Delegation submitted no complaints.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

The period under review was quiet. Only one complaint alleging shooting was received; no casualties were reported and no investigation was requested. Both parties complained about "build up" of forces and increased military activity in the defensive zones.

Since 14 July, the outstation at Kuneitra has been manned on 24-hour basis, while the outstation at Banat Yacoub is still manned on a daytime basis only.

Since 14 July, four observation posts have been manned in Israeli territory. Two observers are manning each post on a 24-hour basis, and during daytime one or two Israeli liaison officers are present at each post. The posts are established in tents, and contact is maintained with Tiberias by vehicle-mounted Motorola radio sets.

Since 17 July, visits have been made twice a day to the new Huleh Bridge area, but no evidence of recent work has been found. Some Syrian complaints have been received alleging that the bridge has been used by military vehicles, but observers have been unable to verify this.

On 19 July, an observer on his way to visit the New Huleh Bridge was stopped by Israeli border police approximately one kilometre north of Khoury Farm and was not allowed to proceed. Afterwards, the Senior Israeli Delegate recommended that observer be escorted due to tension existing along the border, and sent an Israeli officer to escort the observer. When observer wanted to visit Khoury Farm, the excort officer refused permission, stating he had not been advised by the Senior Israeli Delegate of visit to any other place than the bridge itself.

All personnel travelling to and from the observation posts on Israeli territory are required to have Israeli escort.

On 19 July, observers attempted to visit the work on the site of the Jordan River Project outside the Demilitarized Zone in the area of MR 195 254, but were stopped by a civilian who stated that access was forbidden to everybody including Israeli military and civilians. On the same day the project inside the Demilitarized Zone was inspected, but no evidence of recent work was found.

The Israeli Delegation submitted 5 written complaints: 1 complaint alleging Syria had concentrated large forces along the International border (investigation requested); 3 complaints alleging illegal cultivation (investigations requested for two of these complaints); 1 complaint alleging crossing of the international border by Syrian soldiers - investigation requested.

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The Syrian Delegation submitted 12 written complaints: 2 complaints alleging overflights (no investigations requested); 8 complaints alleging building up of forces and increased military activity in the demilitarized zone (investigations requested); 1 complaint alleging military equipment in the Defensive Zone in excess of Annex 4, para. 2 of the G.A.A. (investigation not requested); 1 complaint alleging a shooting incident - no investigation requested.

Outstanding complaints: Israel-933; Syria-881; Total-1,814

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The following is a summary of the activities of the Mixed Armistice Commissions for the period 20 July to 26 July 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

Major Maher visited EIMAC on 25 July to announce his relief from duty and his imminent return to Cairo and retirement from Army service. Hajor Maher was the Egyptian Delegate to EIMAC before 29 October 1956 who returned as Egyptian Delegate to EIMAC on 15 March 1957.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-575; Israel-737; Total-1,312

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE CONCISSION

The border has remained relatively quiet except for one incident in which two Jordanians were wounded (see below).

The neutral zone around the Government House area has again become the subject of discussions and complaints and a separate letter dated 2 August 1957 from Colonel Leary to Mr. Cordier is attached to this mail despatch.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 13 written complaints: 1 complaint alleging crossing of the demarcation line by military units - two Jordanians wounded - (This incident was found to be an internal clash and no further action has been taken.); 2 complaints alleging firing across the demarcation line (investigations requested); 4 complaints alleging overflights (no investigations requested); 1 complaint alleging stones thrown across the demarcation line; 5 complaints alleging labourers escorted by security forces working in no-man's-land (Government House area) - see above - (investigation requested).

The Israeli Delegation submitted no written complaints.

Outstanding complaints: HJK-1,488; Israel-353; Total-1,841

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet.

The Israeli Delegation submitted one complaint alleging an overflight.

The Lebanese Delegation submitted no complaints.

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ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

No serious incidents occurred during the period under review and no complaints alleging firing were received.

The illegal cultivation by Arabs in Israeli territory west of the northern sector of the Demilitarized Zone continued and was the subject of letters addressed by the Chairman to the Senior Syrian Delegate on 20 and 22 July.

On 21 and 22 July, the observers visiting the new Huleh Bridge area observed Israeli Army personnel occupying positions in the area of Khoury Farm. The Chairman requested the Senior Israeli Delegate by letter to remove military personnel and equipment from Khoury Farm area in accordance with Article V, para. 5(b), of G.A.A. On 23 July, the Israelis started work near the bridge in connection with the Huleh project. The work party was protected by Israeli border police. A dam was made to raise the level of the water in the Lake, and as a result the flow of waterin the Jordan River was reduced for some days. No prior notice was given to UNTSO of the start of the work.

In Israel, the four observation posts continued to be manned on a 24-hour basis.

In Syria, the observation post at Bouteiha Farm continued to be manned on a 24-hour basis while the outstation at Banat Yacoub continued on a daytime basis only.

The work on the site of the Jordan River Project was not visited during the period under review.

16 written complaints referring to incidents alleged to have occurred between 12 July and 25 July were received from the Israeli Delegation: 1 complaint alleging a shooting incident (confirmation of verbal complaint received on 12 July) - investigation requested; 7 complaints alleging illegal cultivation - see below - (investigations requested for two only); 4 complaints alleging penetration of military personnel in the Demilitarized Zone (investigations not requested); 1 complaint alleging crossing of the Demarcation Line by armed Syrians (investigation requested); 1 complaint alleging a searchlight was directed towards Israeli territory (investigation not requested); 1 complaint alleging fishing in Jordan River (investigation not requested); 1 complaint alleging threats uttered by Syrian Prime Minister (investigation requested).

The Syrian Delegation submitted 13 written complaints: 5 complaints alleging building-up of forces and increased military activity in the Demilitarized Zone (investigations requested); 7 complaints alleging overflights (investigations not requested); 1 complaint alleging Israelis cut off the flow of water of Jordan River - see above - (investigation requested).

Outstanding complaints: Israel-949; Syria-894; Total-1,843

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SUBJECT:

Activities of the Israel-Syrian MAC during

the Period 27 July through 2 August 1957

Copy of the substantive parts of the weekly report prepared by the Israel-Syrian Mixed Armistice Commission of the United Nations Truce Supervision Organization which summarizes their activities for the period 27 July through 2 August 1957 is enclosed.

> Albert B. Franklin American Consul General

Enclosure

Copy of Parts of Israel-Syrian MAC Weekly Report for 27 July through 2 August 1957

Copies sent to Amman, Tel Aviv

Department pass copies to Beirut, Cairo, Damascus

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The following supplements our Mail Despatch No. 32 covering same period for the other three Mixed Armistice Commissions.

ISRAEL-SYRIAN MIXED ARMISTICE COMMISSION

No serious incidents occurred during the period under review and no complaints alleging firing were received.

The illegal cultivation by Arabs in Israeli territory west of the northern sector of the Demilitarized Zone continued despite efforts by observers on the Israeli side to induce them to leave the area.

On 1 August, an inspection of the Defensive Zone in Syria started by two teams of observers.

Twice daily visits to the new Huleh bridge area continued. As from 28 July, it was intended to extend the time spent in the bridge area during the visits, but the Israeli authorities objected. No work has been done in the area, and the that flow of water in the River Jordan is back to normal.

The Israeli Delegation submitted 18 written complaints: 8 complaints alleging illegal cultivation; 4 complaints alleging penetration of military personnel in the Demilitarized Zone; 1 complaint alleging that a fire which started in Syria advanced into Israeli territory causing considerable damage; 2 complaints alleging fishing in the Jordan River; 1 complaint alleging two Syrians crossed the International Border and started fire; 1 complaint alleging a Syrian searchlight directed towards Israeli territory; 1 complaint alleging an overflight. No investigations were requested.

The Syrian Delegation submitted 4 written complaints: 1 complaint alleging a brush fire (investigation requested); 3 complaints alleging overflights (no investigations requested).

Outstanding complaints: Israel-967; Syria-898; Total-1,865

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From	Jerusalem

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The following is a summary of the activities of the Mixed Armistice Commissions for the period 3 August to 9 August 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-575; Israel-737; Total-1,312

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The border remained relatively quiet.

A Sub-Committee meeting, held on 5 August at Kilo 69, discussed matters of local interest.

During the evening of 6 August, an informal meeting was held at the MAC office to discuss threats being made from the Israeli post near the Main Gate to inhabitants of nearby Jordanian houses.

On 8 August, a Sub-Committee meeting was held to discuss missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

An informal meeting was held at the MAC office on 8 August to discuss the stone throwing incidents in the Abu Tor area.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 13 written complaints: 1 complaint alleging crossing of the demarcation line by military units (no investigation requested); 1 complaint alleging firing across the demarcation line (no investigation requested); 3 complaints alleging overflights (no investigation requested); 2 complaints alleging stones thrown across the demarcation line (no investigations requested); 6 complaints alleging labourers escorted by security forces working in the neutral zone around Government House (investigations requested). There were no casualties.

The Israeli Delegation submitted 8 written complaints, four of which were confirmations of verbal complaints: 3 complaints alleging firing across the demarcation line; 1 complaint alleging crossing of the demarcation line and theft; 1 complaint alleging crossing of the demarcation line by unarmed civilians; 1 complaint alleging firing across the demarcation line. (No investigations requested. No casualties.)

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From Jerusalem

Outstanding complaints: HJK-1,514; Israel-363; Total-1,877

One HJK complaint deducted after being settled during the 293rd Emergency meeting.

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The situation remained quiet during the period under review except for one incident, the killing of an armed Lebanese by two unidentified men who had crossed the border.

The Lebanese Delegation submitted 2 written complaints: 1 complaint alleging that on 6 August two men bearing automatic weapons had been found in Lebanese territory (MR 176 279) - they exchanged shots with a Lebanese who followed them and fired upon the Lebanese position at Marouahine - the Lebanese was killed and the two men withdrew going from one place to another inside Israeli territory and firing. (This incident was investigated and appeared to be a matter for Lebanon only.); 1 complaint alleging an overflight.

The Israeli Delegation submitted no complaints.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

No serious incidents occurred during the period under review and no complaints alleging firing were received.

The illegal cultivation by Arabs in Israeli territory continued until 8 August when an Israeli working party protected by armed police started to build a road in the area, allegedly connected with a reclamation project. On 9 August, the work on the road was reported to be finished.

Twice daily visits to the new Huleh bridge were continued. On 8 August, an Israeli survey party worked in the area in connection with the Huleh project. An observer was present during the work.

The four observation posts in Israel and at Banat Yacoub and Bouliha Farm in Syria continued to be manned together with the outstation at Kuneitra.

The Israeli Delegation submitted 13 written complaints: 2 complaints alleging crossing of the demarcation line; 7 complaints alleging illegal cultivation; 2 complaints alleging penetration in the Demilitarized Zone by military units; 2 complaints alleging crossing of the Demilitarized Zone by military units. (No investigations requested.)

The Syrian Delegation submitted no written complaints.

Outstanding complaints: Israel-980; Syria-898; Total-1,878

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COPY

The following is a summary of the activities of the Mixed Armistice Commissions for the period 17 August to 23 August 1957.

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EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-575; Israel-737; Total-1,312

'HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The border remained relatively quiet.

A Sub-Committee meeting, held on 20 August, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 13 written complaints: 1 complaint alleging crossing of the demarcation line by military units (investigation requested); I complaint alleging firing across the demarcation line (no investigation requested); 8 complaints alleging overflights (no investigations requested); I complaint alleging stones thrown across the demarcation line (no investigation requested); 2 complaints alleging labourers escorted by security forces working in the neutral zone around Government House (investigations requested). There were no casualties.

The Israeli Delegation submitted 1 written complaint alleging firing across the demarcation line - one Israeli wounded - (no investigation requested).

Outstanding complaints: HJK-1,537; Israel-364; Total-1,901

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

No serious incidents occurred during the period under review.

Two Syrian complaints were received, one alleging firing in the southern sector of the Demilitarized Zone at MR 2121 2427 and one alleging firing across the Demarcation Line in the vicinity of OP 1 (UNMO reported no shots fired during day mentioned in the complaint).

Illegal cultivation in Israeli territory continued up to 19 August but no cultivation was reported after that date.

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Two crossings of the Demarcation Line in the area of OP 1 by Syrians were reported on 22 August.

On 19 August a visit was made to the southern sector of the Demilitarized Zone (El Hamma).

Twice daily visits to the new Huleh bridge were continued but no activity was seen.

The four observation posts in Israel and at Banat Yacoub and Bouteiha Farm in Syria continued to be manned together with the outstation at Kuneitra.

The part of the Jordan River Project inside the Demilitarized Zone was visited on 23 August but no evidence of recent work was found.

The Israeli Delegation submitted 8 written complaints: 3 complaints alleging illegal cultivation (no investigations requested); 3 complaints alleging crossing of the Demarcation Line (no investigations requested); 1 complaint alleging Syrians interfered with radio communications of Israeli liaison officers on OP duty (Chairman was requested by the Israeli Senior Delegate to discuss this matter with the Syrian Senior Delegate); 1 complaint alleging crossing of the Demarcation Line by military units and interference with work of Israelis near Shamir dam MR 2128 2945 (investigation carried out).

The Syrian Delegation submitted 9 written complaints: 5 complaints alleging overflights (no investigations requested); 1 complaint alleging firing in the southern sector of the Demilitarized Zone (no investigation requested); 1 complaint alleging crossing of the Demarcation Line and penetration into Syrian territory by military units (investigation requested); 1 complaint alleging military activity in Demilitarized Zone (investigation requested); 1 complaint alleging shots fired from the Israeli military position of Tel El Kadi at Syrian farmers (investigation not requested), UNMO at OP 1, Tel El Kadi reported no shots fired on day mentioned in complaint.

Outstanding complaints: Israel-1,005; Syria-911; Total-1,916

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COPY

The following is a summary of the activities of the Mixed Armistice Commissions for the period 24 August to 30 August 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-575; Israel-737; Total-1,312

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The border remained relatively quiet.

A new Senior Israeli Delegate has been apointed vice Lt. Colonel Nursella who resigned.

A Sub-Committee meeting, held on 28 August, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNMOs.

The Jordanian Delegation submitted 19 written complaints: 1 complaint alleging that Israeli security forces crossed the Demarcation Line and planted a mine connected to a receiving and transmitting wireless set - investigation carried out - (Emergency Meeting requested); 1 complaint alleging crossing of the Demarcation Line by armed civilians who allegedly planted a mine which exploded under a truck slightly injuring a Jordanian girl - investigation carried out (297th Emergency MAC Meeting); 1 complaint alleging crossing of the demarcation line by unarmed civilians (no investigation requested); 14 complaints alleging overflights (no investigations requested); 1 complaint alleging stones thrown across the Demarcation Line (investigation carried out); 1 complaint alleging insults directed at HJK troops (no investigation requested).

The Israeli Delegation submitted 1 written complaint alleging crossing of the demarcation line by armed civilians - two Israelis allegedly killed (no investigation requested).

Outstanding complaints: HJK-1,556; Israel-365; Total-1,921

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The situation remained quiet during the period under review.

The Lebanese delegation submitted 1 written complaint alleging two overflights.

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The Israeli Delegation submitted no complaints.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

No serious incidents occurred during the period under review. One Syrian complaint alleging firing was received but no investigation was requested.

On 28 August, two observation posts were established in Syria, one near Banias at MR 2130 2951, and one near the Banat Yacoub Bridge at MR 2096 2694. On 30 August, an additional post was established near Darbashiya at MR 2114 2771 and the post near Banat Yacoub bridge was moved to the area of Dardara at MR 2113 2721.

The four observation posts in Israel and the post at Bouteiha Farm in Syria continued to be manned together with the outstation at Kuneitra.

Twice daily visits to the new Huleh bridge area were continued during the period under review. On 28 August, an Israeli survey party was observed in the area, and on 30 August the survey continued with an observer present.

The part of the Jordan River Project inside the Demilitarized Zone was visited on 26 August but no evidence of recent work was observed.

The Israeli Delegation submitted 16 written complaints: 9 complaints alleging crossing of the Demarcation line; 3 complaints alleging illegal cultivation; 2 complaints alleging Syrians interfered with radio communications of Israeli liaison officers on duty in UN OPs; 1 complaint alleging an overflight; 1 complaint alleging penetration into the Demilitarized Zone by military units. (No investigations requested. No casualties.)

The Syrian Delegation submitted 9 written complaints: 1 complaint alleging firing across the Demarcation Line - see para. 6 above - (investigation not requested); 3 complaints alleging overflights (no investigations requested); 5 complaints alleging military activity in the Demilitarized Zone (investigations requested for three of these complaints).

Outstanding complaints: Israel-1,021; Syria-920; Total-1,941

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FROM

: AMERICAN CONSULATE, KUWAIT

DESP. NO.

TO

THE DEPARTMENT OF STATE, WASHINGTON.

September 23, 1957

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SUBJECT: VIGNETTE IN ARAB-ISRAELI RELATIONS DURING ISRAELI OCCUPATION OF GAZA STRIP AND SUBSEQUENT DISENCHANTMENT WITH EGYPTIAN ADMINISTRATION

There is transmitted as an enclosure a report of an incident which occurred during the Israeli occupation of the Gaza Strip as related to a Consulate employee by the son of the erstwhile mayor of Gaza. While the incident itself is of no particular significance, it is transmitted as of possible interest. Of more consequence is the account in the second half of the report of the increasing disenchantment by Gaza residents with the present Egyptian administration.

> Talcott W. Seelye American Consul

Enclosure: att m.m. Report to Consulate employee

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Vignette in Arab-Israeli Relations During Israeli Occupation of Gaza Strip and Subsequent Disenchantment with Egyptian Administration

(as told by Consulate employee from first hand report given him by son of former mayor of Gaza visiting Kuwait)

At the time of the Israeli attack and occupation of the Gaza Strip, Mr. Rushdi Al-Shawa, a prominent figure in Gaza, was Mayor. Al-Shawa did his best to decrease the tensions between the occupation forces and the inhabitants. An example of this were his efforts one night to supervise the withdrawal of Israeli forces from the refugee camps. He had exerted all his powers of persuasion with the Israeli Military Governor to obtain this withdrawal since many women were afraid of spending nights in these camps under foreign occupation.

During the Israeli occupation a curfew was set at 9 p.m. every night. One evening at 8:30 p.m. the Israeli Military Governor sent a message to Al-Shawa requesting him to have tea with him at the Officer's Club. At 9 p.m. a military car arrived and carried Shawa to the club, which was swarming with army officers and civil administrative officers. The prevailing atmosphere at the club was strained. After tea, the Military Governor stood up and the following conversation ensued:

Governor: "Let's go!"

Shawa : "Where to?"

Governor: "There is a plane waiting to take us to New York."

Shawa : "What is the reason for going there?"

Governor: "We want you to speak before the U.N. Security Council, stating that as a representative of the Gaza people, you want to see the Gaza Strip annexed to Israel."

Shawa : "I cannot do that. You can kill me or do anything else you want with me, but this is impossible."

Governor: "Why?"

Shawa: "Because all the Arab delegates at the U.N. are my colleagues and friends.

I've known them for years when working together for the Arab cause. No one will believe me!"

Governor: "Then write a letter to Ben Gurion."

Shawa : "I will not do that."

Governor: "I will give ...

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Governor: "I will give you until tomorrow to give me a final answer."

The following day Al-Shawa sent in his resignation to the Israeli Governor. The Governor then called in the influential people of Gaza and informed them of the resignation, saying: "I don't care what happens. If you accept the resignation you have to elect one of yourselves for the post. So go to Al-Shawa and speak to him. If you still cannot do anything, I'll appoint a Mayor from Israel. You all must realize that you get your orders from us." The Gaza people then went to Al-Shawa's house and pleaded with him to resume his post. He finally agreed under one condition, namely, that he would not discuss any political questions with the Israelis. (Al-Shawa was later removed as Mayor after the Israelis withdrew).

When the UN Expeditionary Forces first entered Gaza, they spent one-half million pounds on the people and there was much good will displayed toward them. Then, however, came an Egyptian rabble-rouser by the name of Sa'id Abdu, who gave inflammatory speeches and spent money freely. There were also inflammatory broadcasts on Radio Cairo and The Voice of the Arabs. Soon the good will swung away from the UN forces and to the Egyptians. Everybody began asking for their return, and for the election of a puppet Mayor loyal to the Egyptians. Now the women often surrounded the UN soldiers and danced around them in a taunting and disrespectful manner.

The pro-Egyptian feeling, however, began later to diminish as people noted that the Egyptians began jailing a lot of people for alleged collaboration with Israel. Anyone speaking with UN soldiers was also jailed for "wanting to internationalize the Gaza Strip." The local jail was so full of these "political criminals" that there was thought of opening another jail. Gradually more and more inhabitants of the Strip opposed the Egyptian administration and now most regret very much having urged for the return of the Egyptian administration.

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	released the fishing boat after discovering	that all
	members of the crew were Greek and that the	boat,
	although it had come from the direction of	Egyptian
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Raymond G. Badran c/o Dar El Maaref P.O.Box 2676 Beirut, Republic of Lebanon

October 21, 1957

ACTION is assigned to

Mr. Dwight D. Eisenhower President of the Unite States Of America White House, Washington, D.C., U.S.A.

Dear Mr. President



An ordinary citizen of Lebanon who believes in God and Freedom and who has been since 1948--when Israel was injustly created and a million Arabs thrown out of their country-- watching Western policy pave the way to Communist infiltration in the Middle East, has the great honor to address himself, in plain simple words, directly to you, to point out from his own modest angle that it is not too late to redress somewhat the situation in favor of the champions of freedom.

I have no cure for the Arab-Israel political problem. Think this is an uncontrollable factor in American politics.

Israel was created with the help of both Western and Communist powers. Communist propaganda was unfortunately able to put the whole blame on America and present Russia as the protector of the Arabs. The truth is that all powers wanted Israel. America for humanitarian reasons, Great Britain thought at the time this would prevent unification of the Arabs, and Russia as a means for penetration through discord in the Middle East. I shall therefore confine myself to the controllable factors.

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1. Foreign Aid:

Arabs cannot understand why relatively speaking, very little economic aid is given them while other nations and the newly created state of Israel are getting aid by the hundred of millions of dollars. They believe they are unfairly treated, especially that they know OI that their oil, which is exported in its crude form has been the main factor in the economic development and well being of free Europe. There is an Arab proverb which says:" Do not throw stones in thewater well from which you drink." On the other hand the little foreign aid which the Arabs are receiving is being spread over long period of years, and not being used in a rapid and spectacular way. To give an example: It took 2 1/2 years to build a nine kilometers coastal highway from Beirut city to Maameltain. The project was not carried according to the best American highway standards Proci even the least best). The road has cracks here and there and is not smooth. If you had sent a good America contractor to do the job with his heavy machinery and know how, every body would have realized that Americans really mean business. These great delays in the road program are making poeple think that the United States is intentionally delaying the work in order to spread aid over a long period of time thus in effect giving

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as little as possible.

2. Oil Companies: The oil companies are not contributing to the economic development of the Arab Countries as they should be. They think their duties stop at paying royalties to Governments and spend their time arguing with them . First: They are not making any effort to create Petro-Chemical Industries (Plastics, Fertilizers, Gas for Industry, Rubber) out of crude oil, which would create employment and considerably improve the standard of living of the Arabs. Second: They are not giving responsible positions to the competent national employees. It takes four times as long to a Lebanese to advance to a new position than it takes for an American. Lebanon has highly specialized competent technicians, and I cannot think of any responsible position in the oil industry that cannot be adequately filled by a Lebanese after a very short training. All these factorstend to raise doubts as to whether American private enterprise is genuinely interested in the welfare of the poeple in places where it operates.

3. Kuwait Share of Profits: The two hundred millions of dollars, Kuwait share of profit from oil operation, frozen yearly by the British because they cannot be possibly absorbed in Kuwait, rightly belong to all the poor Arab Countries and not to Britain. The Arabs see these two hundred millions frozen yearly while they are obliged to beg for help from other countries. The least that should be done in this respect is that this accumulated money, which now amount to several hundred millions of dollars, if not to be given away to the less gifted Arab lands, used to create an Arab Development Bank to which this money would be given at no interest for lending at a nominal interest rate (to cover the bank's expenses) to the Arab Countries for self generating development projects.

4. Justice in Algeria:
All the Arabs want from America in Algeria is justice.
The United Nations high principles that poeple should
determine their own destiny should be upheld by the
democracies.

The above factors which are generating lot of ill will to the democracies, if corrected in favor of the Arabs will undoubtedly help to turn the tide in favor of the Free World. It is well known that poverty breeds Communism, and I am sure that if the Arabs are only fairly treated, Communism will not be able to penetrate in this area.

I now have a suggestion, which although irrelevant to the points raised, will help American interests in the Middle East.

The United States should strive to create between Syria and Israel a neutral territory, to be taken from the land held by Israel, which territory can serve two purposes:

- I. Acheminate huge pipelines in a zone out of Syria's control, to pro-Western Lebanon on the mediterraneen sea.
- 2. Create a buffer zone between Syria and Israel thus promote peace in this area.

I remain, dear President,

Yours Sincerely

Raymond G. Badran

cc: YMr. John Foster Dulles Stae Department

Foreign Aid Administration State Department

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SS	NO: 415, October 31, 3 p.m.
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C L	SENT DEPARTMENT 415, REPEATED INFORMATION CAIRO 50.
IO USUN	Foreign Ministry telephoned Embassy last night to state that GOI had reliable information to effect Egyptians now
EUR P	planning return to Gaza strip approximately 1,000 Palestinian troops who have been training near Suez Canal. Force will
UOP SCA	assertedly be called Palestinian Lorder Force. Ministry official stated that GOI would necessarily regard any
IRC	return of Palestinian armed forces to Gaza Strip as "seriously aggravating development."
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FROM

Amcongeneral JERUSALEM

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TO

THE DEPARTMENT OF STATE, WASHINGTON.

November 5, 1957

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ConGen Despatch 76, October 29, 1957

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OTHER
CIA-12 05D.4 ARMY-4 NAUY-3 AIR-3 USIA-10

SUBJECT:

Activities of the MAC's during the Period 19 October through 25 October 1957

OCB-1

Copies of the substantive parts of the weekly reports prepared by the Mixed Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 19 October through 25 October 1957 are enclosed.

Albert B. Franklin American Consul General

Enclosure

Copy of Parts of NAC Weekly Reports for 19 October through 25 October 1957

Copies sent to Amman, Tel Aviv

Department pass copies to Beirut, Cairo, Damascus

MOVS 0 1957

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Encl. No. 1
Desp. No. 82
From Jerusalem

COPY

The following is a summary of the activities of the Mixed Armistice Commissions for the period 19 October to 25 October 1957.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-579; Israel-737; Total-1.316

HASHELITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The situation remained quiet along the demarcation line during the period under review.

On 19 October, two complaints were received from the Jordanian Delegation alleging: 1) that on the afternoon of 19 October an Air Jordan civil aircraft flying with passengers from Jerusalem to Cairo had been attacked by an Israeli jet aircraft between Petra and Akaba and; 2) that two Israeli jet aircraft strafed a military position in Akaba. Investigations and emergency meetings were requested and granted. The first sessions of the 299th and 300th emergency meetings were opened on 20 October to discuss these two complaints.

A Sub-Committee meeting, held on 21 October, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the demarcation line continued to be manned by UNIOs.

The Jordanian Delegation submitted 9 written complaints: 7 complaints alleging overflights (no investigations requested); 2 complaints alleging overflights involving firing (investigations requested - see para. above). There were no casualties.

The Israeli Delegation submitted 1 written complaint alleging an over-flight (no investigation requested, no casualties).

Outstanding complaints: HJK-1,627; Israel-369; Total-1,996

ISRAEL - LEBANESE LIXED ARMISTICE COMMISSION

The situation remained quiet along the border during the period under review.

No complaints were submitted by either Delegation.

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ISRAEL - SYRIAN MIXED ALMISTICE COMMISSION

There was a marked increase of incidents during the period under review. Seven complaints alleging firing were received in addition to two complaints involving mines.

The Israeli survey work in the area of Border Fillar 46, started again on 20 October but was discontinued following an Israeli complaint that Syrian soldiers were interfering with the work of the surveyors and a Syrian counter complaint that survey party had penetrated into Syria.

Israeli cultivation in the northern and southern sectors of the Demilitarized Zone continued and also land reclamation in the central sector of the Demilitarized Zone in the Dardara area.

The work on the Huleh project continued including the drainage and work preparatory to the removal of the old dam. Border police were still present in the area.

All the observation posts in Israel and in Syria continued to be manned by UNNOs together with the outstation at huneitra.

The Israeli Delegation submitted 31 written complaints: 1 complaint alleging that a truck travelling from Tel El Kadi towards Daphna village hit a mine at MR 2106 2945 - driver wounded - (investigation requested and carried out); 2 complaints alleging armed Syrian soldiers interfered with the work of Israeli surveyors in vicinity of Border Pillar 46 (investigations requested): 1 complaint alleging fishing in the Jordan River (no investigation requested); 1 complaint alleging Israeli fishermen fishing on lake Tiberias threatened by Syrian soldiers (no investigation requested); 13 complaints alleging crossing of the Demarcation Line by Arab shepherds and herds (no investigations requested); 2 complaints alleging illegal cultivation (no investigations requested); 1 complaint alleging penetration in the southern sector of the Demilitarized Zone by military units (no investigation requested); 3 complaints alleging crossing of the Demarcation Line by Syrian civilians or soldiers (no investigations requested); 5 complaints alleging firing (no investigations requested); 1 complaint alleging tractor from Daphna village hit a mine at MR 2109 2949 two Israelis wounded - (investigation requested and carried out); 1 complaint alleging Syrians interfered with the wireless communications of Israeli liaison officers attached to UN OPs (no investigation requested).

The Syrian Delegation submitted 12 written complaints: 3 complaints alleging crossing of the Demarcation Line and penetration into Syrian territory by Israeli civilians and armed soldiers (investigations requested); 5 complaints alleging military activity in the central sector of the Demilitarized Zone and cultivation of Arab lands (investigations requested but not yet carried out); 2 complaints alleging firing (investigations requested but not yet carried out); 2 complaints alleging cultivation of Arab lands in the northern and southern

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sectors of the Demilitarized Zone (investigations requested but not yet carried out).

Outstanding complaints: Israel-1,123; Syria- 979; Total-2,102

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DEPARTMENT OF STATE series A.)

Memorandum of Conversation

DATE: November 8, 1957

SUBJECT:

Situation in the Middle East; U.S.-Lebanese Relations

MOV 14 195:

PARTICIPANTS: Dr. Charles Malik, Lebanese Foreign Minister

NEA - William M. Rountree NE - Stuart W. Rockwell

NE - Edward L. Waggoner

(8)

WOV 14 1957

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Dr. Malik at his request called on Mr. Rountree at twelve noon on Friday, November 8, 1957.

Dr. Malik's Conversation with President Chamoun on November 4. Dr. Malik said that he had on November 4 spoken with President Chamoun who was then in Seville, Spain. The President had called Dr. Malik in order to remind him of a number of matters which they had discussed prior to Dr. Malik's departure for the U.S. The President had asked Dr. Malik to secure firm replies to a number of questions concerning U.S.-Lebanese relations. The President had remarked that he expected to run into rough waters on his return to the Lebanon (scheduled for November 14) and that it was, therefore, essential for the Lebanese Government to find out from the U.S. Government the latter's plans for the Middle East in general and for U.S.-Lebanese relations in particular. The President had stressed that if it were necessary for Dr. Malik to delay his return to the Lebanon in order to receive the desired information, Dr. Malik should not hesitate to do so.

Dr. Malik's Assessment of the Present Situation in the Lebanon. Dr. Malik said that internal and external pressures were mounting in the Lebanon against the Government and against the Lebanon's pro-Western orientation in general. The forces behind these pressures - primarily Syrian, Egyptian and communist - were constantly active. If the Syrian situation were to be permitted to continue, the Lebanon was doomed and it would be only a matter of time until there would be a collapse in the Lebanon. The question, then, was whether

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or not the Lebanon could hold out against these mounting pressures. It was obvious that it could not hold out alone. The objective of the pressures to which Dr. Malik referred was, in essence, the expulsion of Western and particularly U.S. influence from the Lebanon. Dr. Malik said that time was of the essence and that, unfortunately, time was not working in favor of the present policies of his Government.

U.S.-Lebanese Relations. Dr. Malik said that there were three basic relationships between the Lebanon and the U.S. involving immediate problems to which he wished to address himself. These were the following:

- 1. <u>Military</u>. President Chamoun in his telephone conversation with Malik had stressed the importance of speeding up delivery of the jet aircraft which the Lebanon had requested of the U.S. It was also important to see to it that the Gendarmerie equipment arrived as quickly as possible.
- Economic. Dr. Malik said that the Lebanon hoped to secure additional economic assistance from the U.S. "next year". The Lebanese Government had a clear idea as to what projects would be most useful and had discussed many of these projects with the Mission in Beirut. The President, in this connection, had emphasized the necessity of elaborating a new basis for economic agreement. Specifically, it was essential to "put aside" the counterpart concept or to modify it substantially. Lebanese reserves did not permit the Lebanon to match dollar for dollar. Furthermore, the counterpart fund arrangement delayed rather than facilitated the accomplishment of specific projects. There was also the question of the disposal of abnormal crop surpluses, principally in fruits and olives. The Lebanon should be able to dispose of such surpluses without selling to Iron Curtain countries. The continued sales of such products to Iron Curtain countries would inevitably result in binding the Lebanese economy to that of the Soviet Bloc. Dr. Malik said that it should be possible for the U.S. to help the Lebanon to dispose of its abnormal surpluses. Finally, it was important that U.S. assistance funds be made available to private philanthropic institutions and organizations in the Lebanon. Dr. Malik recalled that he had mentioned this point in his discussions in the Department some time ago, with specific reference to the activities of Father Kurtbawi.
- 3. <u>Political</u>. Dr. Malik said that the most pressing problem had been met by the letter which the Secretary had written him concerning U.S.-Lebanese relations. There was, in addition, the question of subsidies for the Lebanese press which he had also discussed with the Secretary.

Questions regarding U.S. Middle East Policy. Summing up, Dr. Malik said that there were a number of general questions in his mind to which he needed answers. He enumerated the questions as follows:

1. Is the U.S. pulling out of the Middle East? If it is not, does it intend to pull out?

- 2. Is the U.S. pulling out of certain parts of the Middle East and concentrating on other parts?
- 3. Is increased communist-Soviet penetration of the Middle East inevitable? Is it something which Near Easterners must learn to live with, or can they fight it with some hope of success?
 - 4. Can Soviet penetration be stopped, and what are U.S. plans to stop it?
- 5. Are the Soviets permanently entrenched? What hope does the U.S. have that they will be dislodged, and when?
- 6. When will the U.S. take the initiative from the Soviets in the Middle East?
 - 7. What is U.S. policy in the Middle East?

Mr. Rountree said that there were many elements in the questions which Dr. Malik had asked which Dr. Malik had already discussed with the Secretary. Mr. Rountree said that he was sure that Dr. Malik had gained an idea of the Secretary's current thinking regarding the situation in the Middle East in general and of U.S. policy in the area as a result of his conversation with the Secretary.

With regard to the specific programs. Mr. Rountree said that we were very much interested in the security of the Lebanon and in assisting the Lebanon to develop its defenses. Specifically, the request for military aircraft was under active consideration, and we hoped to be in touch with Dr. Malik on that subject in the very near future. Mr. Rountree said that he was not in a position to comment in detail on our economic assistance program and the possibilities in relation thereto. He reminded Dr. Malik that we were, of course, responsible to the Congress in connection with our economic assistance programs, and that there was, consequently, a limit to our flexibility. On the political side, Mr. Rountree expressed the hope that Dr. Malik had been impressed with the Secretary's assurances to him that the U.S. considers that it has vital interests in the Middle East, and that these interests can be preserved only by maintaining the territorial integrity and independence of the free nations of the Middle East. We had made clear our intention to assist these states in the preservation of their independence and integrity. We were not pulling out of the Middle East or any part of the Middle East if by that was meant that we were willing to see jeopardized the independence of any of the states of the area or willing to see the Soviet Union assume a dominant position in any of those states. We do consider it inevitable that the Soviet Union will continue the traditional Russian

effort

effort to penetrate the Middle East. The Soviet Union has made headway in Syria and to a lesser extent in Egypt. The important element in all of this was the determination of the governments of the Middle East to maintain their own independence. What we could do depended on the willingness of the governments themselves.

Mr. Rockwell asked for Dr. Malik's reaction to the following hypothetical question: What would be the attitude of the Lebanese Government toward the establishment of U.S. military presence in the Lebanon? Dr. Malik replied that he was sorry to say that the present political situation in the Middle East and in the Lebanon was so ambiguous that a move of this type would cause an uproar in Syria and Egypt and would be exploited by Syria, Egypt and the opposition in the Lebanon to cause great trouble in the Lebanon. Mr. Rockwell asked what the present thinking of the Lebanese President and Dr. Malik was on the subject of a possible United Nations force stationed in the Lebanon. Dr. Malik said that he had not talked with the President lately on this subject, but that he thought it was still in the President's mind.

Mr. Rountree said that one of our great assets in the present situation in the Middle East was the fact that the Governments of the Lebanon, Iraq, Jordan, and Saudi Arabia were deeply concerned about recent developments in Syria. Because the possibilities of arresting or reversing these trends in Syria depended in large part on Syria's Arab neighbors, it was difficult to estimate how long this might require. It was possible and even likely that a change would come about. It was important to see to it that in the meanwhile the regimes in the other Arab states were not shaken. Mr. Rountree noted that these were his general observations, but that he would like to reflect further on various details.

Mr. Rockwell informed Dr. Malik that the first shipment of equipment for the Lebanese Gendarmerie was scheduled to be delivered by air sometime next week. Mr. Rockwell also described briefly the successful efforts of the U.S. and other friendly powers to assist the Lebanon in disposing of its surplus apples.

Mr. Rountree gave Dr. Malik the letter from the Secretary which had been prepared in response to a request from Dr. Malik. Dr. Malik expressed complete satisfaction with the language of the letter and said that he would send a simple acknowledgment within the next few days.

Dr. Malik said that he would be in Washington again on Tuesday and Wednesday of next week and asked whether he might see Mr. Rountree for a final talk. Mr. Rountree said that he would be happy to do so, and that he would like at that time to discuss any further views Dr. Malik might have on a possible new approach to the Palestine problem.

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Period 26 October through 1 November 1957

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Albert B. Franklin American Consul General

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Copies of the substantive parts of the weekly reports prepared by the lixed

Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 26 October through 1 November 1957.

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Desp. No. 36
From Jerusalem

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The following is a sum ary of the activities of the liked armistice Commissions for the period 26 October to 1 rovember 1957.

EGYPTIAN - ISRAEL LINED ARELSTICE CONFISSION

The situation throughout the Gaza Strip remained quiet.

The Eyptian Delegation submitted six Red Cross letters from the members of the DOROM. The letters were forwarded to UNISC meadquarters for transmission to the Israel Ministry for Foreign Affairs.

do complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-579; Israel-737; Total-1,316

HASALITE JOADAN KINGDON - ISLAEL LIAED ANALSTICE COLLISSION

The situation remained quiet along the demarcation line during the period under review.

A Sub-Committee meeting, held on 28 October, discussed missing persons, property and other problems incidental to the maintenance of the Ceneral Armistice Agreement.

On 31 October, the second session of the 299th Emergency Leeting was held (see para. 3 h.b. Ho. 44). The HJK resolution was adopted.

The outstations of Nablus, Mebron and Latrum on the Jordan side of the Demarcation Line continued to be manned by UNIQs.

The Jordanian Delegation submitted 2 written complaints: 1 complaint alleging crossing of the Demarcation Line by military units; 1 complaint alleging an overflight. (No investigations requested. No casualties.)

The Israeli Delegation submitted 4 written complaints: 2 complaints alleging crossing of the Demarcation Line by military units; 2 complaints alleging crossing of the Demarcation Line by unarmed civilians. (No investigations requested. No casualties.)

Outstanding complaints: HJK-1,628; Israel-373; Total-2,001

One HJK complaint deducted after being settled during the 299th Emergency Reeting (see above).

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The situation remained quiet along the border during the period under review.

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From	Jerusalem

No complaints were submitted by either Delegation.

ISMAEL - STRIAN MIXED AMERICE COLLISSION

Five complaints alleging firing and one complaint alleging that an Israeli tractor bit agains were received during the period under review.

USE

Israeli cultivation and survey work in the northern sector of the benilitarized Zone under Israeli armed police protection including the presence of an armoured vehicle caused a number of Syrian complaints. In one instance Israeli work on arab owned land was confirmed. Similarly, Israeli survey work and cultivation in the Dardara area (central sector of Demilitarized Zone) caused a number of Syrian complaints alleging crossing of the armistice benarcation line. However, investigation did not confirm such crossing.

Two Syrian complaints of Israeli mining operations in the area of Tel Doueir in the southern sector of the Demilitarized Zone were not confirmed by investigation.

The question of survey and marking of the Armistice Demarcation Line in the Shamir area was again taken up, and it was suggested that the work should be done by United Nations personnel without participation of the parties. However, the Syrians took the stand that such work could only be decided by the Nixed Armistice Commission and suggested that the Commission should meet on this and other outstanding matters.

On 30 October, the Officer-in-Charge at Kuneitra was informed that the villagers of Shamalne in the central sector of the Demilitarized Zone would return to their village the same day. According to records, they left the village in December 1955 at the time of Israeli attacks on the eastern shore of Take Tiberias. However, the villagers had not returned by the end of the period under review.

On 31 October, investigation of two Israeli complaints relating to Syrian interference during the Israeli survey work in the Shamir area was carried out. (In connection with this investigation, United Nations surveyors located Border Pillar 46 and the bearings of the line from this point.)

The work on the Huleh project continued south of the Huleh bridge and was concentrated on removing old dams. On 1 November, a ceremony was held in the area to mark the completion of the project, although some work still remains.

All the observation posts in Israel and in Syria continued to be manned by UNMOs together with the outstation at Kuneitra.

The part of the Jordan River Project inside the Demilitarized Zone was visited on 28 October, No evidence of recent work was observed.

The Israeli Delegation submitted 21 written complaints: 1 complaint alleging a tractor bit a mine - driver wounded - (investigation requested and

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carried out); I complaint alleging penetration into the Demilitarized Zone by military unit (investigation requested and carried out); I complaint alleging Syrian boat penetrated Israel territorial vaters (investigation requested and carried out); 3 complaints alleging firing across the Demarcation line (investigation requested and carried out for one only); I complaint alleging crossing of the behavioration line by military unit (no investigation requested); S complaints alleging herds crossing behavioration line (no investigation requested); 3 complaints alleging crossing of the Demarcation line by civilians (no investigation requested); 2 complaints alleging illegal cultivation across the Demarcation line (no investigations requested); I complaint alleging a secreblisht was airected towards Israeli territory (no investigation requested).

The Syrian Delegation submitted 17 written complaints: Il complaints alleging penetration into Demilitarized Lone by military units; 2 complaints alleging firing across the Demarcation Line; 1 complaint alleging crossing the Demarcation Line by military unit; 1 complaint alleging Israeli started brush fire in Syria; 2 complaints alleging cultivation of arab lands in Demilitarized Lone. (Investigations requested and carried out. Lo casualties.)

Outstanding complaints: Israel-1,144; Syria-996; Total-2,140

Memorandum of Conversation

DATE: December 12, 1957

SUBJECT:

PARTICIPANTS:

Mr. T. Weintal, Newsweek Correspondent

NE - Wells Stabler

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Mr. Weintal said that his editors had queried him about reports attributed to the British and American Ambassadors in Moscow and to a German communications expert who had recently returned from Cairo that Egypt and Syria, with Soviet backing, were about to launch an attack on Israel. These stories indicated that the Soviet Union would be willing to supply material and volunteers and that the Soviets were convinced that the US would not intervene.

I told Mr. Weintal that while there were always reports current that the Arabs were planning to launch another attack on Israel, I had no information to suggest that any such an attack was now either about to be launched or in the planning stage. I speculated that these reports might be more accurately attributed to the Soviets who desired to keep a war of nerves going on at a high pitch in the Middle East.

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Memorandum of Conversation

CONFIDENTIAL

DATE: January 14.

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SUBJECT:

EGYPT

Mr. Shimshon Arad, First Secretary,

Embassy of Israel NE - Wells Stabler

COPIES TO:

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Amembassy, Cairo

Mr. Arad had mentioned to me last week that he had received from his Foreign Office an analysis of the present Egyptian situation which had come to the conclusion that there was no hope of doing business with Nasser. He said he would like discuss the matter with me. Accordingly he came in today for an exchange of views on Egypt.

I mentioned that it appeared that Israel and Egypt had a tacit understanding of that it was in both of their interests to keep the border situation quiet and to refrain from adopting hostile and provocative attitudes. I mentioned the calming effect which the UNEF had had on the border situation and expressed my personal lack of understanding of the Israeli's refusal to permit the UNEF along their borders. Mr. Arad gave the usual Israel reply as to why it was not possible for Israel to accept the UNEF and said that although the border situation was quiet now, Israel had definite information that Egyptian officers were training a group of 80 commandos in Gaza and that a special Fedayeen training school for about 300 to 600 persons had been established near Cairo.

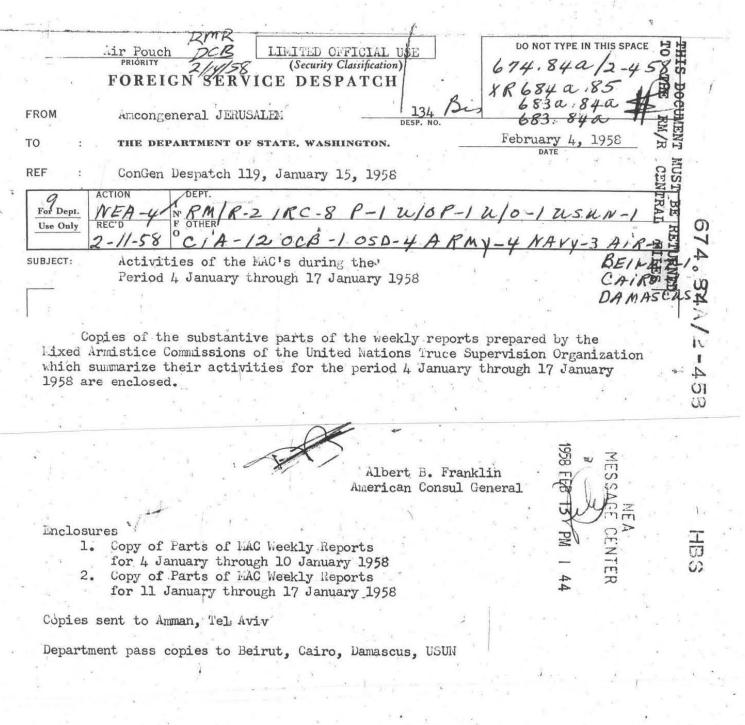
However, he admitted that the present situation was calm. When I inquired regarding UN efforts to have the Israeli "fishing" vessel released from Egyptian custody, Mr. Arad said that Hammarskjold had discussed the matter with Nasser who had indicated that while he thought there would be no difficulty in releasing the ship, some of his people still related the matter of the vessel to the 1956 loss of an Egyptian plane carrying Egyptian officers returning from Syria. Mr. Arad said that Israel would give positive assurances that they were not holding any of the Egyptian officers.

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It then gave Ir. Arad a general summary of our views with regard to the Egyptian situation and indicated that while it was doubtful whether Egypt would ever change its basic attitude towards "positive neutrality," there might be grounds for hoping that there would be a moderation of that policy permitting a somewhat more constructive relationship between the US and Egypt. I made clear that we had no illusions regarding Masser and his regime but that at the same time it would be a mistake to ignore Egypt completely and not take advantage of such situations as might present themselves to work toward a better understanding. I remarked that there were certain signs of Masser's concern regarding relations with the Soviet bloc and said that there were some indications that he had not been too content with the way the Afro-Asian Solidarity Conference in Cairo had been taken over by the Soviet bloc. I said that the fact that Masser had not made a speech, either at the opening or the closing of this Conference, should probably correctly be interpreted in this sense.

If a Arad said that his Ambassador had understood from Mr. Rountree that our attitude would be on a <u>quid pro quo</u> basis and that we would be prepared to make concessions in return for Egyptian concessions. I said that that was essentially the position and recalled a few of the rather minor steps/which we had taken prior to this time in response to certain Egyptian moves which were positive in our regard. I said that we believed that there was merit in the idea of letting relations develop quietly and naturally without the necessity for any startling moves on either side. We would be prepared to take certain additional steps as the Egyptian atmosphere indicated that such steps would be useful.

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The following is a summary of the activities of the Mixed Armistice Commissions for the period 4 January to 10 January 1958.

EGYPTIAN - ISRAEL MIXED ANAISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-584; Israel-737; Total-1.321

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The situation along the Demarcation Line remained very quiet.

A Sub-Committee meeting, held on 5 January, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the Demarcation Line continued to be manned by UNMOs.

The HJK Delegation submitted 5 written complaints: 4 complaints alleging overflights; 1 complaint alleging stones thrown across the Demarcation Line. (No investigations requested. No casualties.)

The Israeli Delegation submitted no written complaints.

Outstanding complaints: HJK-1,720; Israel-387; Total-2,107

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The situation remained quiet along the border during the period under review.

No complaints were submitted by either Delegation.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

The period under review was relatively quiet although there were three complaints alleging firing (one firing incident confirmed by written complaint submitted by Israel, the two other firing incidents were the subject of a verbal complaint submitted by Syria), but there were no casualties or damage reported.

Daily visits were made to the area of the Huleh Project until 9 January when the UNMO was prevented from entering the Demilitarized Zone by the border police. The reason given was that the UNMO was not accompanied by a liaison officer.

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From Jerusalem

Four observations posts in both Israel and Syria continued to be manned on a 24 hour basis. Access to OPs 3 and 4 was very difficult during the period under review due to the rain and muddy road conditions requiring UNIOs to proceed by foot and/or donkey. Access to OP Bravo at Darbashiya (NR 2112 2773) in Syria was likewise difficult requiring tractors and/or donkeys for movement of UNMOs and supplies to reach the OP.

The part of the Jordan River Project inside the central sector of the Demilitarized Zone was visited but no activity was observed.

The Israeli Delegation submitted 11 written complaints: 5 complaints alleging Syrian herds crossing the Demarcation Line; 2 complaints alleging illegal cultivation; 1 complaint alleging 8 armed Syrians were seen at MR 21235 29360 where they interfered with the mine clearing operation; 1 complaint alleging armed Syrians were seen in Israel territory; 1 complaint alleging Syrian soldiers occupying field positions at MR 2134 2946; 1 complaint alleging firing from Moussadiye village (MR 2094 2540) towards a group of Israeli fishermen engaged in fishing at MR 2088 2546. (No investigations requested. No casualties.)

The Syrian Delegation submitted 10 written complaints alleging overflights - no investigations requested.

Outstanding complaints: Israel-1,354; Syria-1,125; Total-2,579

In addition to these written complaints, a verbal complaint was submitted by Syria alleging that on 2 January, a) an Israeli patrol penetrated into the central sector of the Demilitarized Zone and fired at a group of Arab cultivators; b) another Israeli patrol fired from MR 207714 257714 on the inhabitants of Shamalne; - investigation requested and carried out.

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From Jerusalem

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The following is a summary of the activities of the Mixed Armistice Commissions for the period 11 January to 17 January 1958.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-584; Israel-737; Total-1,321

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The situation along the Demarcation Line remained very quiet.

A Sub-Committee meeting, held on 14 January, discussed missing persons, property and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the Demarcation Line continued to be manned by UNMOs.

The HJK Delegation submitted 5 written complaints: 1 complaint alleging firing across the Demarcation Line - one shepherd wounded -; 4 complaints alleging overflights. (No investigations requested.)

The Israeli Delegation submitted no complaints.

Outstanding complaints: HJK-1,725; Israel-387; Total-2,112

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The period under review was quiet. In addition to the usual complaints of penetration and overflights, as well as illegal cultivation, there was one complaint alleging firing but there were no casualties or damage.

The situation respecting the completion of the ditch at Tawafiq remains static. The plan requested from the Israeli Delegation has not been produced yet. This will be discussed with the Israeli Senior Delegate when the Chairman visits Tiberias on 19 and 20 January.

Israelis have resumed their land clearing operations in the Shear Yashuv lands west of the northern sector of the Demilitarized Zone. UNMOs have been in attendance to observe the operations.

Although UNWOs have gone towards the Huleh bridge daily for visits, access to the area has been denied. In order to reach the Demilitarized Zone, it is

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necessary to pass a military police post and UNMOs have been prevented from proceeding further because they were not accompanied by liaison officers. When requested to produce liaison officers, the Senior Israeli Delegate said there were none available. A protest was made by the Chairman to the Senior Israeli Delegate.

All the observation posts in Israel and in Syria continued to be manned by UNMOs.

The part of the Jordan River Project inside the central sector of the Demilitarized Zone was visited on 15 January but no activity was observed.

The Israeli Delegation submitted 25 written complaints: 11 complaints alleging penetration into the Demilitarized Zone by armed Syrians; 12 complaints alleging Syrian herds crossing the Demarcation Line; 2 complaints alleging illegal cultivation. (No investigations requested.)

The Syrian Delegation submitted 5 written complaints: 3 complaints alleging overflights; 1 complaint alleging penetration into the Demilitarized Zone by military units; 1 complaint alleging firing across the Demarcation Line. (No investigations requested. No casualties.)

Outstanding complaints: Israel-1,379; Syria-1,130; Total-2,509

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FOREIGN SERVICE DESPATCH

Amcongeneral JERUSALEM

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FROM

DESP. NO.

February 4,

TO

THE DEPARTMENT OF STATE, WASHINGTON.

REF

ConGen Despatch 134, February 4, 1958

ACTION 1RC-8 P-1 W/OP-1 W/OP-1 USUN-1 For Dept. Use Only

SUBJECT:

Activities of the MAC's during the

Period 18 January through 24 January 1958

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Copies of the substantive parts of the weekly reports prepared by the Mixed Armistice Commissions of the United Nations Truce Supervision Organization which summarize their activities for the period 18 January through 24 January 1958 are enclosed.

Albert B. Franklin American Consul General

Enclosure

Copy of Parts of MAC Weekly Reports for 18 January through 24 January 1958

Copies sent to Amman, Tel Aviv

Department pass copies to Beirut, Caire, Damascus, USUN

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From	Jerusalem	

COPY

The fellowing is a summary of the activities of the Mixed Armistice Commissions for the period 18 January to 24 January 1958.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-584; Israel-737; Total-1.321

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The situation along the Demarcation Line remained very quiet.

Celenel Abdel Karim Bargheuti replaced Majer Areikat as Senior Jordanian Delegate effective 21 January.

A Sub-Committee meeting, held on 20 January, discussed missing persons, preperty and other problems incidental to the maintenance of the General Armistice Agreement.

The outstations of Nablus, Hebren and Latrum on the Jerdan side of the Demarcation Line continued to be manned by UNMOs.

The HJK Delegation submitted 8 written complaints: 1 complaint alleging crossing of the Demarcation Line by military units; 1 complaint alleging firing across the Demarcation Line; 6 complaints alleging overflights. (No investigations requested. No casualties.)

The Israeli Delegation submitted no complaints,

Outstanding complaints: HJK-1,733; Israel-387; Tetal-2,120

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The situation remained quiet along the berder during the period under review.

No complaints were submitted by either Delegation.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

The period under review was marked by an increased activity on the berder. The reason would appear to be the resumption of cultivation, alleged presence of berder police and police vehicles in the northern sector of the Demilitarized Zone, the crossing of the eastern Demarcation Line of the Demilitarized Zone by

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From	Jerusalem

Syrian herds and armed Syrians and clashes occurring when fishermen approach too close to the eastern shore of Lake Tiberias.

The work on the Shear Yashuv lands west of the northern sector of the Demilitarized Zone continued with UNMOs in attendance to observe the land clearing operations.

On 24 January, during the conduct of an investigation in the northern sector of the Demilitarized Zone, the investigating party including a UN military Observer was fired at from a ridge in the western part of the Demilitarized Zone-investigation requested and carried out.

On 18 January, there was an alleged firing at Israel fishermen on Lake Tiberias and seme fishing nets were lost. An attempt to recover the nets near the eastern shores of Lake Tiberias was not successful on late 18 January and 19 January. The nets were recovered on 20 January. On 22 January, a similar incident occurred in which 21 nets were lost. 10 of the 21 nets were recovered on 24 January with the assistance of military observers.

The area of the Huleh project was visited on 22 January in the company of the Israeli Delegate, but on other days the passage to the area was refused to military observers. The Israeli Senior Delegate still maintains that no liaison officers are available. This matter was discussed between the Chairman and the Israeli Senior Delegate on 19 January and again with Mr. Tekoah, Director of Armistice Affairs, on 24 January. The discussions were inconclusive.

All the observation posts in Israel and in Syria continued to be manned by UNMOs. Difficulties are still encountered in reaching sems observation posts because of read conditions.

The Israeli Delegation submitted 39 written complaints: 6 complaints alleging firing - one Israeli wounded - (investigations requested and carried out for three complaints only); 2 complaints alleging interference with radio communications—no investigations requested; 12 complaints alleging Syrian herds crossing the Demarcation line and illegal cultivation - no investigations requested; 17 complaints alleging crossing of the Demarcation Line by armed Syrians - no investigations requested; 1 complaint alleging the removal of a fence at Genen - investigation requested and carried out; 1 complaint alleging fishing nets in water at MR 2103 2489 removed by Syrians - investigation requested and carried out.

The Syrian Delegation submitted 10 written complaints: 2 complaints alleging firing (investigation requested and carried out for one complaint only); 4 complaints alleging overflights (no investigations requested); 4 complaints alleging penetration into southern and northern sectors of the Demilitarized Zone by Israeli soldiers (no investigations requested).

Outstanding complaints: Israel-1,419; Syria-1,140; Total-2,558

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COPY

The following is a summary of the activities of the Mixed Armistice Commissions for the period 25 January to 31 January 1958.

EGYPTIAN - ISRAEL MIXED ARMISTICE COMMISSION

The situation throughout the Gaza Strip remained quiet.

No complaints were submitted either by Egypt or Israel.

Outstanding complaints: Egypt-584; Israel-737; Total-1,321

HASHEMITE JORDAN KINGDOM - ISRAEL MIXED ARMISTICE COMMISSION

The situation along the Demarcation Line remained quiet.

A Sub-Committee meeting, held on 27 January, discussed missing persons, property and other problems incidental to the implementation of the General Armistice Agreement.

The outstations of Nablus, Hebron and Latrum on the Jordan side of the Demarcation Line continued to be manned by UNMOs.

The HJK Delegation submitted 8 written complaints: 1 complaint alleging crossing of the Demarcation Line by armed civilians and firing (investigation requested and carried out); 1 complaint alleging firing across the Demarcation Line (investigation requested and carried out); 6 complaints alleging overflights (no investigations requested).

The Israeli Delegation submitted 1 written complaint alleging crossing of the Demarcation Line by unarmed civilians - no investigation requested.

Outstanding complaints: HJK-1,741; Israel-388; Total-2,129

ISRAEL - LEBANESE MIXED ARMISTICE COMMISSION

The situation remained quiet along the border during the period under review.

The Israeli Delegation submitted 2 written complaints alleging illegal fishing inside Israel territorial waters - no investigations requested.

The Lebanese Delegation submitted no complaints.

ISRAEL - SYRIAN MIXED ARMISTICE COMMISSION

The increased activity noted on the border during the previous week was sustained during the period under review. The period was marred by a serious

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firing incident on 28 January in which two Israeli border police were killed and six wounded.

The work on the Shear Yashuv lands west of the northern sector of the Demilitarized Zone continued but not daily. An UNMO was in attendance to observe the land clearing operations.

Attempts were made to arrange for the recovery of nets alleged to have been removed by the Syrians and heaped on the shore. The Syrian authorities have promised an investigation.

Attempts were made daily to visit the area of the Huleh project but UNMOs were prevented from entering the Demilitarized Zone because the Israeli Delegation alleged that no liaison officers were available to accompany the UNMOs.

All the observation posts in Israel and in Syria continued to be manned by UNMOs. Roads to OPs 3 and 4 are closed on certain days because of road conditions. Road to OPs Bravo and Charlie remained open but can be used only with difficulty.

The part of the Jordan River Project inside the central sector of the Demilitarized Zone was visited on 27 January but no activity was observed.

The Israeli Delegation submitted 20 written complaints: 2 complaints alleging firing - two Israeli border police killed and six wounded - (investigation requested and carried out for one complaint only); 15 complaints alleging crossing of the Demarcation Line by Syrian soldiers or shepherds and their herds (no investigations requested); 1 complaint alleging illegal fishing (no investigation requested); 2 complaints alleging overflights (no investigations requested).

The Syrian Delegation submitted 18 written complaints: 4 complaints alleging firing (investigation requested and carried out for one of these complaints only); 2 complaints alleging penetration into the northern sector of the Demilitarized Zone by armed soldiers (no investigations requested); 12 complaints alleging overflights (no investigations requested).

Outstanding complaints: Israel-1,439; Syria-1,158; Total-2.597

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IOP OCB CIA OSD RE INCIDENT ON EGYPTIAN-ISRAELI ADL

SYG SHOWED US REPORT CONCERNING INCIDENT ON EGYPTIAN-ISRAELI ADL. HE SAID ISRAELIS HAD ORIGINALLY SOUGHT PLAY MATTER DOWN ENTIRELY AND, FOR FIRST TIME SINCE SECOND GAZA INCIDENT, HAD FALSIFIED FACTS.

ISRAELIS CLAIMED SOME 30 BEDOUIN AND 50 SHEEP HAD COME INTO ISRAELI TERRITORY ON ADL BEYOND GAZA AND DURING EXCHANGE OF FIRE, ONE BEDOUIN HAD BEEN KILLED. UN INVESTIGATION DEMONSTRATED 30 BEDOUIN BOILED DOWN TO TWO BOYS, ONE 10 YEARS OLD AND ONE THIRTEEN YEARS OLD. FORMER KILLED, LATTER ESCAPED, RETURNED TO TELL STORY.

ISRAELIS RETURNED BODY OF ARAB BOY LAST WEDNESDAY (HAVING KEPT IT ONE WEEK) AS WELL AS SHEEP. SOUGHT CHARGE ARABS GRAZING FEE FOR SHEEP AT RATE OF 1/2 ISRAELI POUND PER SHEEP. SYG NOTED TWO DAYS BEFORE BODY RETURNED, UN IN AREA HAD CABLED BACK SEEKING SERVICES SCOTLAND YARD TO ASSIST IN ANALYZING BLOOD SAMPLES AND BONE SPLINTERS RECOVERED DURING INVESTIGATION. SYG FEELS ISRAELIS ONLY RETURNED BODY AFTER HAVING FOUND OUT ABOUT THIS CABLE IN ORDER AVOID MORE UNPLEASANT CONSEQUENCES OTHERWISE RESULTING HAD THEY CONTINUED TRY HUSH UP INCIDENT.

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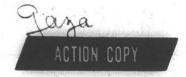
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Secretary of State

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SYG TOLD US THIS MORNING EGYPTIANS HAD INFORMED HIM OF THEIR INTENTION TO SEND THREE COMPANIES OF "PALESTINIAN" SOLDIERS TO GAZA TO PARADE IN CONNECTION WITH CELEBRATION OF GAZA LIBERATION ON MARCH 8. TROOPS WOULD ONLY STAY IN GAZA ABOUT TWO WEEKS AND WOULD THEN BE WITHDRAWN. SYG HAD IMMEDIATELY SEEN LOUTFI, TOLD HIM HE THOUGHT THIS WAS EXTREMELY UNWISE, AND ASKED HIM TO CONVEY SYG'S REQUEST PLANS BE CANCELLED. SYG SAID LOUTFI AGREED WITH HIM. ALSO THOUGHT FAWZI WOULD AGREE BUT HE WAS DOUBTFUL WHETHER NASSER WOULD CANCEL PLANS.

SYG IS INFORMING UNEF ADVISORY COMMITTEE THIS MORNING. TOLD LOUTFI THIS IN HOPES IT WOULD PUT MORE PRESSURE ON EGYPTIANS. HE DID NOT SAY WHETHER HE WOULD ASK COMMITTEE FOR ANY SPECIFIC ACTION.

SYG SAID ONE EGYPTIAN REASON FOR TROOPS WAS FEAR OF DIS-TURBANCES IN CONNECTION WITH ANNIVERSARY. HE THOUGHT THIS DISINGENUOUS BECAUSE ANNIVERSARY COULD BE PLAYED DOWN IN FIRST PLACE. HE WAS UNCERTAIN ABOUT EGYPTIAN MOTIVATION IN USING PALESTINIANS BUT CONCEDED IT MIGHT BE" IN ORDER TO CONTINUE TO BE ABLE TO SAY THEY HAD NOT SENT ANY EGYPTIAN TROOPS INTO GAZA.

HE FELT ISRAELIS WOULD REGARD PALESTINIAN TROOPS AS FEDAYEEN. IN RESPONSE TO QUESTION HE SAID HE THOUGHT EGYPTIAN MOVE MAY ALSO HAVE CONNECTION WITH ISRAELI PLAS FOR JERUSALEM MILITARY PARADE.

IN SUBSEQUENT

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-2- 971, MARCH 5, 5 PM, FROM USUN NEW YORK

IN SUBSEQUENT CONVERSATION WITH MURRAY (CANADA) WE LEARNED UNEF ADCOM MET TO BE INFORMED OF SITUATION. HE SAID GENERAL BURNS FIRST LEARNED OF EGYPTIAN PLANS ON FEBRUARY 26 FROM "INTELLIGENCE" SOURCES. MURRAY UNDERSTOOD TROOPS TO BE PRESENT, IN ADDITION TO STATED PURPOSES PRESERVING ORDER DURING "LIBERATION" CELEBRATION, TO MAINTAIN CALM DURING FORTHCOMING LOCAL ELECTIONS RECENTLY ANNOUNCED FOR GAZA. MURRAY SAID HE HAD IMPRESSION ISRAELI'S LIKELY REMAIN CALM AT THIS DEVELOPMENT IF ONLY BECAUSE THEIR OWN FORTHCOMING ANNIVERSARY CELEBRATION CALCULATED BE AS ALARMING IN ITS OWN WAYS.

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Raymond G. Badran c/o Trans-Arabian Pipe line Co. P.O.Box 1348 Beirut, Republic of Lebanon

March 15, 1958

ACTION is assigned to

NHA

Mr. Dwight D. Eisenhower President of the United State s of America White House, Washington. D.C., U.S.A.

Dear lir. President

Please refer to the attached copy of my letter to you on the subject of economic aid. May I quote the last paragraph of this letter.

"America should strive to create between Syria and Israel a neutral territory, to be taken from the land held by Israel, which territory can serve two purposes:

- Acheminate huge pipelines in a zone out of Syria's control, to pro-Western Lebanon on the mediterraneen s ea.
- 2. Create a buffer zone between Syria and Israel thus promote peace in this area. "

I would like now to humbly suggest that the above be taken into the most serious consideration for the following vital reasons:

- 1. Now that Syria has become an Egyptian satellite, Nasser is in a position to control the flow of the Saudi and Iraki oil to Europe, through the pipelines. This in addition to his control of the Sues Canal, puts him in an umbearable bargaining strength which endangers the economic position of the free world and the safety of Lebanon, Jordan, Irak and Saudi Arabia.
- 2. The new United Arab Republic is exercising a great deal of economic Operator on Lebanon, Jordan and Irak by strangling the transit trade of these countries. Such a situation is endangering the life blood of Lebanon, namely trade, and putting Jordan and Irak at the mercy of Nasser. A neutral zone between Syria and Israel could be used to build a highway that would connect, Lebanon with Jordan, Irak, Saudi Arabia, etc., and thus relieve these countries from Nasser's black mail.

I remain, dear President,

Yours very truly

Raymond G. Badran

Cc: Mr. John Foster Dulles
State Department
Mr. Henry C. Lodge
United Nations

Attachment:

6

Raymond G. Badran c/o Dar El Maaref P.O.Box 2676 Beirut, Republic of Lebanon

October 21, 1957

Nr. Dwight D. Eisenhower President of the United States of America White House, Washington, D.C., U.S.A.

Dear Mr. President

An ordinary citizen of Lebanon who believes in God and Freedom and who has been since 1948— when Israel was injustly created and a million Arabs thrown out of their country— watching Western policy pave the way to Communist infiltration in the Middle East, has the great honor to address himself, in plain simple words, directly to you, to point out from his own modest angle that it is not too late to redress somewhat the situation in favor of the champions of freedom.

I have no cure for the Arab-Israel political problem. I think this is an uncontrollable factor in American politics. Israel was created with the help of both Western and Communist powers. Communist propaganda was unfortunately able to put the whole blame on America and present Russia as the protector of the Arabs. The truth is that all powers wanted Israel. America for humanitarian reasons, Great Britain thought at the time this would prevent unification of the Arabs, and Russia as a means for penetration through discord in the Middle East. I shall therefore confine myself to the controllable factors.

1. Foreign Aid: Arabs cannot understand why relatively speaking, very little economic aid is given them while other nations and the newly created state of Israel are getting aid by the hundred of millions of dollars. They believe they are unfairly treated, especially that they know that their oil, which is exported in its crude form has been the main factor in the economic development and well being of free Europe. There is an Arab proverb which says: " Do not throw stones in the water well from which you drink ." On the other hand the little foreign aid which the Arabs are receiving is being spread over long period of years, and not being used in a rapid and spectacular way. To give an example: It took 2 1/2 years to build a nine kilometers coastal highway frombeirut city to Maameltain . The project was not carried according to the best American highway standards (noteven the least best) . The road has cracks here and there and is not smooth. If you had sent a good American contractor to do the job with his heavy machinery and know how, every body would have realized Americans really mean business. These great delays in the road program are making poeple think that the United States is intentionally delaying the work in order to spread aid over a long period of time thus in effect giving as little as possible.

2. Oil Companies:

The oil companies are not contributing to the economic development of the Arab Countries as they should be. They think their duties stop at paying royalties to Governments and spend their time arguing with them. First: They are not making any effort to create Petro-Chemical Industries (Plastics, Fertilizers, Gas for Industry, Rubber) out of crude oil, which would create employment and considerably improve the standard of living of the Arabs.

Second: They are not giving responsible positions to the competent national employees. It take four times as long to a Lebanese to advance to a new position than it takes for an American. Lebanon has highly specialized competent technicians, and I cannot think of any responsible posi-

competent national employees. It take four times as long to a Lebanese to advance to a new position than it takes for an American. Lebanon has highly specialized competent technicians, and I cannot think of any responsible position in the oil industry that cannot be adequately filled by a Lebanese after a very short training. All these factors tend to raise doubts as to whether American private enterprise is genuinely interested in the welfare of the poeple in places where it operates.

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3. Kuwait Share of Pfofits:
The two hundred millions of dollars, Kuwait share of profit from oil operation, frozen yearly by the British because they cannot be possibly absorbed in Kuwait, rightly belong to all the poor Arab Countries and not to Britain. The Arabs see these two hundredmillions frozen yearly while they are obliged to beg for help from other countries. The least that should be done in this respect is that this accumulated money, which now amount to several hundred millions of dollars, if not to be given away to the less gifted Arab lands, is used to create an Arab Development Bank to which this money would be given at no interest for lending at a nominal interest rate (to cover the Bank's expenses) to the Arab Countries for self generating development projects.

4. Justice in Algeria:
All the Arabs want from America in Algeria is justice. The
United Nations high principles that poeple should determine
their own destiny should be upheld by the democracies.

The above factors which are generating lot of ill will to the democracies, if corrected in favor of the Arabs will undoubtly help to turn the tide in favor of the Free World. It is well known that poverty breeds Communism, and I am sure that if the Arabs are only fairly treated, Communism will not be able to penetrate in this area.

I now have a suggestion, which although irrelevant to the points raised, will help American interests in the Middle East.

The United states should strive to create between Syria and Israel a neutral territory, to be taken from the land held by Israel, which territory can serve two purpos es:

- 1. Acheminate huge pipelines in a zone out of Syria's control, to pro-Western Lebanon on the mediterraneen sea.
- 2. Create a buffer zone between Syria and Israel thus promote peace in this area.

I remain, dear President,

Yours Sincerely

Raymond G. Badran

cc: Mr. John Foster Dulles State Department

Foreign Aid Administration State Department

DEPARTMENT OF STATE

Memorandum of Conversation

M-1088

DATE:

Harch 20, 1958

Nasser's Interest in an Egyptian-Israeli Settlement

PARTICIPANTS:

James David Zellerbach, American Ambassador to Italy

Assistant Secretary William W. Rountree, NEA Miss C. R. Harvey, WE-

MAR 28 1958

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UAR - Ir. Stabler 9

NE - Mr. Bergus

WE - Mr. Torbert, Miss Harvey 3

WE - Mr. Engle

American Embassy, Rome American Embassy, Cairo / 2

American Embassy, Tel Aviv /3

Ambassador Zellerbach reported that when Okasha, the new Egyptian Ambassador to Rome who was formerly Military Attaché at Paris and a close friend of Nasser's (and who had been called back to Cairo as military adviser at the time of the Suez crisis), made his courtesy call at the Embassy, he had stated that Nasser desired a settlement with Israel and was the only Arab leader strong enough to negotiate one. He said that Nasser wanted to start negotiations on the basis of the UN 1948 line. Ambassador Zellerbach had agreed that it was in the interest of the whole free world to have a settlement as soon as possible. He inquired why Nasser did not do something about it. With agreement of the Egyptian Ambassador, Ambassador Zellerbach passed the suggestion regarding negotiations on to the Israeli Ambassador, who in turn conveyed the message to Ben-Gurion. Shortly before Ambassador Zellerbach's departure, the Israeli Ambassador informed him that Ben-Gurion had replied that he was interested to negotiate without commitment. Ambassador Zellerbach informed the Israeli Ambassador that, the whole matter being quite outside his bailiwick, he would take no special initiative regarding it, but that, if he happened to run into the Egyptian Ambassador. he would pass on to him Ben-Gurion's reply.

Mr. Rountree said that this was a very interesting piece of news as far as the Egyptians were concerned. The Israeli position as stated was not newthey had said frequently that they want to negotiate directly. He suggested that Ambassador Zellerbach proceed as planned, namely, to pass the message informally to the Egyptian Ambassador avoiding any implication that he was acting under instructions. It would be helpful if he could encourage the Egyptians to envisage direct negotiations, taking great care, however, to avoid giving the impression that he was acting as a friend or agent of the

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Israelis. Ir. Rountree remarked parenthetically that we should have to work on the Iraqis and Jordanians in favor of such negotiations. He recalled that the Iraqis have for some time wished the United States and the United Kingdom either to come out publicly in favor of the 1948 line or to reactivate the 1949 Conciliation Commission. The Conciliation Commission, however, is known to be unacceptable to the Arabs because of its composition—United States, France, Turkey. It was the Secretary's idea two years ago to change the membership of the Commission, or to establish a commission of several neutral countries to assist in the problem.

Other subjects discussed are covered by separate memoranda of conversation.

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